FBIS DAILY REPORT

CONTENTS

Eastern Europe

Vol II No 221 *15 November 1985*

INTRABLOC AFFAIRS

Further Reportage on Pact Military Council AA 1
Honecker Receives Kulikov, Others [ADN] AA 1
Council Meeting Ends [Prague] AA 2

ALBANIA

Common Market Meetings Demonstrate Disunity B 1
[Beqari in ZERI POPULLIT 25 Oct]
Yugoslav Foreign Trade Secretary Arrives B 2
Alia Chairs Hoxha Museum Commission Meeting B 3
Alia Greets New Tanzanian President B 3

BULGARIA

TANJUG: Fatherland Front Urges Sofia Energy Cuts C 1
Khristov Meets Chinese Planning Officials C 1
Democratic Yemen's Chairman Receives Zhivkov Cable C 1
[Aden]
Further Reportage on UNESCO General Conference C 2
Executive Board Meets C 2
Zhivkov Receives M'Bow C 2
Zhivkov at M'Bow Dinner C 3
[RABOTNICHESKO DELO 13 Nov]
LATE REPORT: Daily on Reagan TV Interview C 4
[RABOTNICHESKO DELO 14 Nov]

CZECHOSLOVAKIA

Reagan Presummit Speech Stressed Future Goals D 1
[Solecky]
RUDE PRAVO Views U.S., USSR Attitudes to Geneva D 1
[15 Nov]
Fuels Minister on Preparations for Winter D 1
Lag in Commodity Deliveries to USSR Noted D 2
[RUDE PRAVO 31 Oct]
Poland's Bednarski Arrives on Official Visit D 3
Arrival in Prague D 3
Talks With Husak D 3
Jakes Speaks at Rally Marking GOSR Anniversary D 4
USSR Ambassador's Speech D 13

GERMAN DEMOCRATIC REPUBLIC

Further Reportage on Saarland's Lafontaine Visit E 1
Received by Axen E 1
Economics Minister Meets Beil E 2
FRG Officials Protest Remarks E 2
[DPA]

CSSR's Indra Comments on Visit, Discussions E 3
SFRY's Srebic Holds Discussions With Stoph [TANJUG] E 4
Briefs: Sports Agreement Signed With PRC; Cooperation with Romania E 5

HUNGARY

Reagan's Speech Built of 'Emotional' Elements F 1
Szuros Comments on Summit, Romanian Relations F 1
Fuel Industry Ends Record-Breaking Year [MAGYAR HIRLAP 11 Nov] F 3
MSZMP CC Releases Economic, Political Communique F 6
Finance Official Comments on Income Tax Changes F 9
Briefs: Increased Agricultural Output Recorded F 11

POLAND

Reagan Predeparture Speech 'Political Advertising' G 1
Yurchenko's Treatment in U.S. 'National Shame' G 1
Warsaw Committee Plenum Held, 1st Secretary Named G 2
Council of State Appoints Chairmen to Commissions G 2
Newly Elected Council of Ministers Holds Session G 2
Wozniak on Draft Law Reorganization G 3
Walesa Again Summoned To Appear Before Court [AFP] G 7
Soviet Communications' Delegation Visits G 7
Interview With Majewski G 7
Messner, Minister Shamshin Meet G 8
Mining Official Interviewed on Mine Construction G 8

ROMANIA

GNA Issues Appeal to Reagan, Gorbachev H 1
Ceausescu, USSR Envoy Meet 'at Latter's Request' H 2
Ceausescu Receives West Berlin Party Officials H 3
Manescu Visits Bonn, Attends Cooperation Meeting H 3
Addresses Meeting H 3
Meets With Chancellor Kohl H 3
Nicu Ceausescu Attends UN Youth Conference H 4
Szasz-led Delegation Conducts Talks in Zaire H 4
Szasz Visits Zambia, Meets President Kaunda H 5

YUGOSLAVIA

TANJUG Reports Reagan Presummit Speech I 1
Death of Croatian SR President Car Announced I 2
Congress Resolutions Require Careful Drafting I 2
Draft Economic Plan Called 'Overambitious' I 3
Bojanic Outlines Trade With Developing Countries I 4
LCY, Presidency Discuss Next Nonaligned Summit I 4
Zarkovic Emphasizes Agricultural Shortcomings I 5
Vojvodina LC Official on Democratic Centralism [Klajajic, Babic in POLITIKA 29 Oct] I 8

FURTHER REPORTAGE ON PACT MILITARY COUNCIL

Honecker Receives Kulikov, Others

LD141501 East Berlin ADN International Service in German 1309 GMT 14 Nov 85

[Text] Berlin, 14 Nov (ADN) — Erich Honecker, general secretary of the SED Central Committee, chairman of the State Council and of the GDR National Defense Council, received Marshal of the Soviet Union Viktor Kulikov, commander in chief of the Joint Armed Forces of the Warsaw Pact states, and members of the Military Council who are in the GDR for a routine session, in the Council of State building today.

The commander in chief reported to the general secretary on the course of the Military Council session, which was held following recent decisions by the Political Consultative Committee. It is fully in this spirit that new impulses have arisen from the session for the consolidation of friendship, class comradeship, and comradeship-in-arms between the armies and the peoples, and for the qualitative improvement of military cooperation between allied forces. He noted the successful fulfillment of all political and combat tasks by the allied armies in the past training year. In the future, too, the Military Council will direct its efforts to ensuring that the Joint Armed Forces are prepared at all times and in a position to reliably safeguard peace and socialist achievements.

On behalf of the Military Council, Marshal of the Soviet Union Kulikov thanked the SED Central Committee and its general secretary for the excellent working conditions in the GDR,

Erich Honecker expressed to the Military Council the high esteem of the GDR party and state leadership for its activity. The session was being held at a time in which international tensions had been considerably sharpened, as the Sofia meeting had found. [sentence as received] The causes for this lay with the policy of imperialism, especially of the United States, aimed at achieving military supremacy in order to dictate its will to other peoples and states. The countries of the socialist community will oppose this with their constructive peace policy.

The comprehensive proposals of the Soviet Union point to the way to halt this fateful development and to revive detente. Erich Honecker stressed that the fraternal countries have at their disposal all the forces and power necessary to meet the high demands in the further shaping of socialism and the safeguarding of peace.

In this connection he expressed the conviction that the recommendations of the Berlin session of the Military Council will help to maintain the fighting strength and combat readiness of the allied armies at the required level in order to foil every attempt to encroach on the socialist system.

Erich Honecker gave the assurance that the GDR will continue its foreign policy with its many initiatives for the continuation of the socialist community's peace offensive for the elimination of the danger of a nuclear conflict.

The initiatives of the working people and soldiers of the German workers' and peasants' state in preparation for the 11th SED Congress testify to keep understanding of the connection between economy and politics, strong socialism and secure peace.

The GDR and its Armed Forces will continue to do their utmost to consolidate the unity of the Warsaw Pact states, to deepen comradeship-in-arms, and to reliably fulfill alliance commitments at all times. This is an important contribution to ensuring the preservation of the strategic military balance as an historic achievement of socialism and to thwarting all imperialist plans that threaten peace.

Erich Honecker asked the members of the Military Council to convey cordial greetings to the general secretaries and first secretaries of the Communist and workers' parties of the fraternal states.

Taking part in the reception were: members of the SED Central Committee Politburo Army General Heinz Hoffmann, minister for national defense, and Egon Krenz, secretary of the SED Central Committee; Deputy Defense Ministers Colonel General Heinz Kessler and Colonel General Fritz Streletz; director of the SED Central Committee Security Department Wolfgang Herger; and Secretary of the GDR Council of State Heinz Eichler.

Council Meeting Ends

LD141938 Prague Domestic Service in Czech 1730 GMT 14 Nov 85

[Text] A routine session of the Military Council of the Joint Armed Forces of Warsaw Pact states took place in Berlin on 12-14 November, chaired by Marshal of the Soviet Union Viktor Kulikov, commander in chief of the Joint Armed Forces.

The Military Council evaluated the results of operational and battle preparation of the Joint Armed Forces during the 1985 training year and discussed some questions of the practical activity of the joint command of the Armed Forces in light of the requirements of communist and workers' parties and resolutions of the committee of defense ministers of the Warsaw Pact states.

The session was of a businesslike nature and took place in the spirit of friendship and mutual understanding. Recommendations were adopted on the issues discussed.

COMMON MARKET MEETINGS DEMONSTRATE DISUNITY

AU131505 Tirana ZERI I POPULLIT in Albanian 25 Oct 85 p 4

[Shkelqim Beqari article: "Rifts of 'United Europe']

[Text] The foreign ministers of the European Common Market member-countries met recently in Luxembourg. Parallel with that a second session of the EEC intergovernmental talks was also held. Creation of a single Western European market was on the first meeting's while the second meeting had the decisionmaking procedures on its agenda.

From their respective agendas it seems that these two forums were discussing different subject. In reality, they were the same old unfruitful efforts of EEC members to save it from bankruptcy, whether of an economical, political or institutional nature. The parallel timing of the two meetings was not accidental. They were held concurrently to give the impression that the community is intensively engaged in sorting out the contradictions which have been corroding it for years. This is the reason representatives of the two forums presented the problems at this week's meetings as being new ones and not problems that have perturbed the organization in the past. We should stress that the problem of a single joint Western European market and the decisionmaking procedures have exacerbated the situation in the community since its inception in 1957, and continue to do so to this day. It could not be otherwise. This organization is a conglomeration of various interests of big Western European capitalist monopolies, interests based on profit, inequality, economic and trade discrimination, and efforts to increase their profits at the expense of others.

The Common Market is squirming amid contradicting interests of its members to create a single market for them, which it has not achieved during its past 28 years and now foresees its achievement in 1992. The market aims to eliminate trade barriers, simplify formalities in the free circulation of goods, unify product standards, etc. So far all this remains only on paper as each member tries to protect its own interests, which differ from those of other members. The nonexistence of a single market, the difficulties encountered in trade among the members, points up the quarrels and the deep misunderstandings that corrode the Common Market and the impossibility of being able to overcome them in the future. The elimination of these trade restrictions would have exposed to direct competition the varied agricultural, industrial, or textile products of member-countries with catastrophic consequences for the weaker ones. Even with present restrictions, Western Europe, for example, has felt the crisis of the steel industry, where such Spanish or English products negatively influence countries with specialized industries. The same applies to agricultural products, which cause great anomalies to more countries geared to agriculture.

A diversionary role in this context is played by the United States, which is trying to increase the rifts between the EEC and the community as a whole to increase its exports to Europe. The U.S. exerts economic pressure on each EEC member-country and on the community as a whole to influence them in accordance with varying circumstances and to add to the difficulties and internal scuffles in the Common Market.

This was also reflected in the Luxembourg declaration which expressed Western European concern for Washington's measures against grain exports subsidized by the EEC, and against other steps taken regarding food industry products as a counter to the EEC's preferential treatment of citrus fruits from certain Mediterranean countries.

The new institutional reforms discussed at the second intergovernmental session of the EEC would replace the principle of unanimity with a majority consensus. The unanimity principle has resulted in procrastination regarding even the most ordinary decisions, as each country tries to defend its own colors. The membership increase from 10 to 12 will further deteriorate existing procedures. The majority consensus is supported by countries such as the FRG and France, while it is being opposed by smaller countries such as Greece and Denmark. One observer at the Luxembourg meeting said that each country should weigh just how much of their sovereignty should be auctioned. The disagreement on the new consensus shows that membership at the EEC is thought to be a form or means to alleviate, no matter how small, the economic difficulties and to make decisions at the expense of the weaker ones.

The parallel developments at the two meetings show once more that the European Common Market is a capitalistic union mixed with interest, quarrels, rivalries and unsurmountable problems which question its very existence.

YUGOSLAV FOREIGN TRADE SECRETARY ARRIVES

AU151028 Tirana ATA in English 0730 GMT 15 Nov 85

[Text] Tirana, November 15 (ATA) -- A government trade delegation of the Socialist Federal Republic of Yugoslavia led by the Federal Secretary of Foreign Trade Milenko Bojanic arrived in our country.

The delegation was received by the Minister of Foreign Trade Shane Korbeci, Director of Department at the Ministry of Foreign Affairs Piro Bita and others. Present was also the Ambassador Extraordinary and Plenipotentiary of the SFR of Yugoslavia to the PSR of Albania Milan Georgjevic.

On November 14 the talks between the Albanian delegation, led by the Minister of Foreign Trade Shane Korbeci and the Yugoslav delegation, led by the Federal Secretary of Foreign Trade Milenko Bojanic began. During the talks opinions were exchanged concerning the development of the trade relations between the two countries during 1986-1990 period. Attending these talks was also the Ambassador Extraordinary and Plenipotentiary of the SFR of Yugoslavia in Albania Milan Georgjevic.

Last night the Minister of Foreign Trade Shane Korbeci gave a dinner in honour of the government trade delegation of th SFR of Yugoslavia, led by the Federal Secretary of Foreign Trade Milenko Bojanic.

ALIA CHAIRS HOXHA MUSEUM COMMISSION MEETING

AU131208 Tirana ATA in English 0730 GMT 13 Nov 85

[Text] Tirana, November 13 (ATA) -- Under the chairmanship of the First Secretary of the Central Committee of the PLA, Comrade Ramiz Alia, the commission set up for the organisation and direction of work to implement the decision of the CC of the PLA regarding the creation of "Enver Hoxha" museum, was convened on November 12.

Speaking about the special importance of the museum, Comrade Ramiz Alia, chairman of the commission, described its setting up as a task full of responsibility before the party and the people. The museum, he stressed, should reflect with faithfulness and a high level the life and activity of such a personality as Comrade Enver Hoxha's who is the symbol of our revolution, the leader and ideologist of the major transformations and direct participant in their realisation, the great revolutionary and the outstanding thinker who has played a decisive role for the fates of the homeland and socialism, a man and citizen who was linked by thousand threads with the common people, with their joys and worries.

The commission discussed on and approved the main orientations on the content and structure of the "Enver Hoxha" museum. In its first meeting the commission also adopted the respective decisions concerning the site of the museum, the time limits for its construction, and the setting up of working groups which will deal with concrete problems regarding the content and the building of the museum.

While laying down concrete tasks for the party and state organs, and for various institutions, the commission stressed that the work for the construction of the "Enver Hoxha" museum will have the character of a big popular action, in which, various working collectives, youth, army, veterans, etc. from all over the country will take part.

ALIA GREETS NEW TANZANIAN PRESIDENT

AU091437 Tirana ATA in English 0755 GMT 9 Nov 85

[Text] Tirana, November 9 (ATA) -- The president of the Presidium of the People's Assembly of the People's Socialist Republic of Albania, Comrade Ramiz Alia, sent the following message of greetings to the president of the United Republic of Tanzania, Ali Hassan Mwinyi:

"On occasion of your election to the post of the president of the United Republic of Tanzania, it is a pleasure for me to convey to you the friendly greetings and the best wishes for successes in the lofty task you are entrusted with.

Wishing the Tanzanian people progress and prosperity, I express my conviction that the friendship and cooperation between our two peoples and countries will develop even more in the future in their mutual interest and to the benefit of the struggle against imperialism.

TANJUG: FATHERLAND FRONT URGES SOFIA ENERGY CUTS

LD141607 Belgrade TANJUG in English 1315 GMT 14 Nov 85

[Text] Sofia, November 14 (TANJUG) -- The residents of the Bulgarian capital, Sofia, have been asked to contribute to the "nation-wide struggle to save electric and thermal energy". An appeal by the mass social-political organization, "Fatherland Front", sets out that every family should cut by 50 percent the consumption of electric energy for illumination and very sparingly use electrical household appliances.

As early as this summer, it was announced that with the onset of colder weather electric energy for consumers would be rationed. The residents in the interior are already experiencing this, while Sofia has, for the main part, been spared so far.

The shortages of electric energy in Bulgaria, as officially set out, were due to a long drought, which paralyzed nearly all hydro-electric power plants, and frequent and long breakdowns of Bulgaria's power plants. The breakdowns were said to be due to "high negligence" in handling the facilities of the power plants in the recent years.

KHRISTOV MEETS CHINESE PLANNING OFFICIALS

AU141931 Sofia BTA in English 1859 GMT 14 Nov 85

[Text] Sofia, November 14 (BTA) -- Today, Mr. Emil Khristov, member of the State Council of Bulgaria, met with Mr. Song Ping, state councillor and minister in charge of the State Planning Commission of the People's Republic of China, and with the members of the Chinese delegation led by him, visiting this country at the invitation of the State Planning Committee of Bulgaria.

DEMOCRATIC YEMEN'S CHAIRMAN RECEIVES ZHIVKOV CABLE

GF111409 Aden Domestic Service in Arabic 1230 GMT 11 Nov 85

["Text" of cable received by 'Ali Nasir Muhammad, secretary general of the Yemeni Socialist Party [YSP] Central Committee and chairman of the Supreme People's Council Presidium, from Todor Zhivkov, general secretary of the Bulgarian Communist Party and chairman of the Bulgarian State Council, on the fourth anniversary of the signing of the friendship and cooperation treaty between the People's Democratic Republic of Yemen [PDRY] and Bulgaria -- date not given]

[Text] On the occasion of the fourth anniversary of the signing of the friendship and cooperation treaty between the People's Republic of Bulgaria and the PDRY, I would like -- on behalf of the Bulgarian Communist Party Central Committee and the Bulgarian State Council, and on my own behalf -- to extend to you our heartfelt congratulations and our good wishes to you personally, to the YSP Central Committee, to the Supreme People's Council Presidium, and to your friendly people. This treaty, signed on 11 November 1981, came as a natural result of the development of relations between our friendly countries and as an expression of the determination of our parties and peoples to promote these relations to the highest levels in a way that responds to our common interests and internationalistic cooperation in the context of our common struggle against the aggressive policy of imperialism and for serving world peace and social progress and for achieving a prosperous future.

The experience of the past 4 years has proved that this treaty represents a solid base for further consolidating friendship relations and developing fruitful mutual cooperation between our peoples and parties and our countries.

Dear Comrade 'Ali Nasir Muhammad, I take this opportunity to wish you personally robust health and your friendly people prosperity. We also wish you success in implementing the resolutions of the Third YSP Congress for constructing a new society in the PDRY.

FURTHER REPORTAGE ON UNESCO GENERAL CONFERENCE

Executive Board Meets

AU121029 Sofia BTA in English 2149 GMT 11 Nov 85

[Text] Sofia, November 11 (BTA) -- Representatives of 51 countries convened today for the 123rd session of the Executive Board after the 23rd General Conference in Sofia and its aim is to elect a president and a leadership and to constitute the permanent subsidiary bodies and determine their powers and to discuss administrative, financial and other issues.

Today the members of the Executive Board balloted Ivo Margan from Yugoslavia president of the Executive Board. He has worked for UNESCO for many years. He is a surgeon.

Today certain amendments to the rules of procedure were also voted. One of them reads that the Executive Board can set up temporary committees determining their powers in their establishment.

Mr. Alphonse Blague from the Central African Republic was elected chairman of the Programme and External Relations Commission; Mr. Osman ahmad Isma'il from Sudan was elected chairman of the Commission on Financial and Administrative Issues; Mr. Jose Vargas from Brazil was elected chairman of the Special Committee; Mrs Giselle Alimi from France was elected chairman of the Committee on Conventions and Recommendations; and Mr. Dody Tisna Amidjaja from Indonesia was elected chairman of the Committee on the International Non-government Delegations.

Tomorrow the session continues.

Zhivkov Receives M'Bow

AU131436 Sofia BTA in English 1337 GMT 13 Nov 85

[Text] Sofia, November 13 (BTA) -- Today, Mr. Todor Zhivkov, president of the State Council of Bulgaria, received Mr. Amadou Mahtar M'Bow, director general of the United Nation's Educational, Scientific and Cultural Organization.

The leader of the world organization expressed his thankfulness and gratitude to Bulgaria and personally to Mr. Todor Zhivkov, for the excellent conditions which have been created and maintained for the work of the 23rd session of the General Conference of UNESCO.

Mr Todor Zhivkov congratulated Mr Amadou Mahtar M'Bow on the successful completion of the 23rd session of the General Conference of UNESCO, which convincingly confirmed the fact that the organization is an indispensable world forum for intellectual cooperation, for interaction of national cultures, with enormous contribution in solving the global issues of our time in the sphere of its competence.

I am convinced that in the future UNESCO will continue to be the centre for constructive dialogues based on equal rights among representatives of education, science and culture from all continents in the world, that it will be an active motive force for cooperation among the countries and the peoples, among all goodwilled people, in the name of peace and wellbeing of mankind."

Mr. Georgi Yordanov, vice-chairman of the Council of Ministers of Bulgaria and chairman of the Committee for Culture, also attended the meeting.

Zhivkov at M'Bow Dinner

AU141455 Sofia RABOTNICHESKO DELO in Bulgarian 13 November p 1

[Text] On 12 November Todor Zhivkov, State Council chairman, gave an official dinner at the Boyana residence in honor of Amadou Mahtar M'Bow, UNESCO general director, and members of UNESCO's Executive Council.

The dinner, which took place in a friendly and informal atmosphere, was attended by Comrades Petur Mladenov, Georgi Yordanov, Dimitur Stanishev, Stoyan Mikhaylov, and Georgi Dzhagarov, deputy chairman of the State Council.

Todor Zhivkov, State Council chairman, most cordially greeted the members of the Executive Council on successfully completing the 23d session of UNESCO's General Conference. He stressed the justifiably great interest of the Bulgarian public in the event, determined first of all because our country hosted this forum. Comrade Todor Zhivkov noted with satisfaction that participants in the session have started to speak about the "Spriit of Sofia," and that the spirit of wisdom triumphed at the session, which reached full agreement on almost all issues discussed. He evaluated these results as an exceptional example and a worthy lesson of solving complex problems in the present tense international situation.

Pointing out the dialectical connections between education, science, and culture, and their significance for modern civilization, Comrade Todor Zhivkov stressed the great work done during the session, which was a result of the dominating spirit of realism and wisdom. He assured the UNESCO leaders that the People's Republic of Bulgaria will very actively participate in the organization's work in the future and will do everything possible to implement its decisions in life.

Our state leader stressed again how necessary for our civilization UNESCO is, and how vital it is for all peoples and countries in the world, regardless of the degree of their development. As peace has no alternative, so UNESCO is irreplaceable. It is an organization of great vitality and future, and nobody can prevent its development.

Comrade Todor Zhivkov greeted Ivo Margan, the newly elected chairman of the Executive Council, who stressed the exceptional importance of the decisions adopted by the session. The success is obvious, because almost all decisions have been adopted by consensus. The leader of the Executive Council expressed deep gratitude to the chairman of the State Council for the generous hospitality and the fruitful climate at the conference, already known as "the Spirit of Sofia." He expressed his conviction that this spirit will accompany the organization in its future development and will facilitate mutual understanding and cooperation. Ivo Margan especially noted the introductory speech of Comrade Todor Zhivkov at the session's opening, something which had determined the optimistic tone of the conference's work and results.

Amadou Mahtar M'Bow, UNESCO general director, warmly thanked Bulgaria's Government and people, and personally thanked Todor Zhivkov, State Council chairman, on the hospitality and the excellent organization of the session. I can confirm, he said, that for 20 years the General Conference of UNESCO has not taken place under such favorable conditions. Stressing that all participants will preserve best memories from our country, the leader of the world organization expressed gratitude to all Bulgarian associates who have contributed to the successful work.

Many events were organized during the session, and they allowed the participants to get acquainted with the achievements of Bulgarian culture. Mr. M'Bow expressed admiration for our people's diligence, pointing out that our people construct their future remaining deeply loyal to their national traditions, and have broadly opened their gates to the world.

The general director noted the full success of the session and stressed that it should be credited to its participants and the Bulgarian hosts as well. Recalling Comrade Todor Zhivkov's speech at the opening of the session Amadou Mahtar M'Bow stressed in conclusion that the words of our first party and state leader have directed the delegates along the road to solving the important and responsible issues.

LATE REPORT: DAILY ON REAGAN TV INTERVIEW

AU151111 Sofia RABOTNICHESKO DELO in Bulgarian 14 Nov 85 p 4

[BTA Report: "An Unconstructive Approach"]

[Text] Geneva, 13 November (BTA) -- One week before his meeting in Geneva with Mikhail Gorbachev, general secretary of the CPSU Central Committee, U.S. President Ronald Reagan gave an interview last night on several West European television networks, from which it can be clearly seen what his approach will be to the summit meeting. The President made the strange statement that a central question at the meeting should be... "the removal of distrust and suspicion," while the problems of disarmament could be left to the delegations of the Geneva talks on nuclear and space weapons. Reagan specifically emphasized that he will not give up the so-called Strategic Defense Initiative and that this could not be a subject of negotiation just when "the stage is approaching for deployment" of space weapons.

REAGAN PRESUMMIT SPEECH STRESSED FUTURE GOALS

LD151100 Prague Domestic Service in Czech 0600 GMT 15 Nov 85

[Text] Last night President Ronald Reagan made a statement on U.S. television on the upcoming Soviet-U.S. summit meeting in Geneva. Our New York correspondent Vladimir Solecky reports:

Reagan decided on a very peace-loving tone for his speech. He expressed the hope that the Geneva meeting would open a peace dialogue which would last longer than his term in office. He spoke about the historical opportunity to map out firmer and more constructive ways to the 21st century.

His approach, however, was less positive when he elaborated in greater detail on his intentions. Reagan tried to claim that during his presidency the United States has always sought to cut nuclear arsenals, as though one could forget that it was Reagan's administration that systematically rejected the policy of detente. It is, however, obvious that people around the world expect above all substantial steps toward securing world peace and security at the Geneva meeting.

RUDE PRAVO VIEWS U.S., USSR ATTITUDES TO GENEVA

LD151145 Prague CTK in English 1034 GMT 15 Nov 85

["RUDE PRAVO on Nearing Gorbachev-Reagan Geneva Summit" -- CTK headline]

[Text] Prague, Nov 15 (CTK) -- The Soviet Union does not hesitate to take all steps necessary for influencing the situation in the world to the benefit of stable peace, RUDE PRAVO wrote today.

Mikhail Gorbachev goes to Geneva with the firm conviction that the war is not inevitable, that as long as there is time, all must be done for halting the dangerous and ever escalating arms race. The Soviet Communist Party general secretary will rely on the prestige and mandate of a country which lost twenty million people in World War II, a country which is by its whole humanitarian substance connected with the policy of peace, the daily said.

Not even the most vociferous campaign in connection with Ronald Reagan's trip to Geneva can drown out the fact that he represents the interests of the U.S. military industrial complex which is a dangerous bloc of reactionary military circles and those circles for which armament is a resource of wealth, the daily said.

The Czechoslovak people supports the Soviet peace efforts, the constructive and initiative proposals which preceded the Geneva summit. The Czechoslovak public welcomes the Soviet-U.S. talks and wishes, just as the other peaceloving forces, that the Geneva summit contribute to the relaxation of the present dangerous tension in the world and to the halting of the feverish arms race, the daily concluded.

FUELS MINISTER ON PREPARATIONS FOR WINTER

LD150041 Prague Television Service in Czech and Slovak 1830 GMT 13 Nov 85

[TExt] A press conference was held in Prague today with Federal Minister of Fuels and Power Vlastimil Ehrenberger on the preparations of his office for the coming winter.

He said that the plan of coal extraction and electric energy production has currently been overfulfilled, but there is still place for improvement in the economy regarding fuel and energy. He was asked whether the hard experience from this January and February have been used in preparing for this winter.

[Begin Ehrenberger recording] I must say that some of our experiences were bitter and it would be a mistake not to make good use of them. For example, we have learned that open-cast mines cannot be managed without nonfreezing oil, and a whole number of similar notions; we have made an evaluation of them and took appropriate steps to prevent their recurrence. I think that the coal industry is well prepared for the winter and that neither industry nor the population need to worry about a shortage of coal. There are some problems with sorted coal. We have increased its production; an additional 600,000 tons of coal will be supplied. With regard to lighting gas, our stock is sufficient for temperatures up to -3 degrees with no need for the application of any limiting measures. With regard to natural gas, the stock is sufficient for temperatures of up to -7 degrees Celsius, also without the need to apply any limits. We have done everything necessary to fill our natural gas reservoirs, and there is actually 1.8 billion [unit not specified] in them, which gives us some security for the winter. We do not envisage any need for introducing measures limiting the supply to the population.

If there are some special unexpected circumstances, it is our industry which would receive a limited supply. Naturally we would do our best to avoid it. But the principle of strict saving and good conservation of every cubic meter of natural gas applies for the population and for everybody. [end recording]

LAG IN COMMODITY DELIVERIES TO USSR NOTED

AU051954 Prague RUDE PRAVO in Czech 31 Oct 85 p 1

[Editorial: "The Pivotal Certainty of our Economy"]

[Excerpts] The development of Czechoslovak-Soviet trade relations show, on a long-term basis, a strong dynamic growth. The volume of the mutual goods exchange is rising from 5-year plan to 5-year plan.

The development of trade, economic, research and development, and other contacts with the Soviet Union is the logical consequence of the policy of friendship and mutual cooperation, a policy ensuring peace and quiet for our home, and work for our people.

In our country's foreign trade, strict demands are placed on every exporter. It must be considered a matter of course that an export enterprise fulfills orders on time. Appreciation is due to those enterprises which fulfill their tasks ahead of time. But we also have organizations which do not adhere to the deadlines agreed on. Deplorably, we also have such debtors in our trade with the Soviet Union.

In comparison with the overall turnover in foreign trade, the debts mentioned above represent a tiny percentage, about one hundredth of the total turnover. But it would be extremely incorrect to regard them in this manner. Because, from the viewpoint of total deliveries, even the tiniest percentage causes considerable worries to the consumer. It causes a lag in the construction of new facilities, slows down the process of modernizing other facilities, or -- in the form of a shortage of spare parts -- puts important facilities out of operation for a time. In this way, even if it is merely a tiny part of the total volume, it would still cause great damage in the immense mechanism of the Soviet economy.

This year, too, some of our enterprises have things they must remedy; and, to tell the truth, one must concede that they have to remedy far more than in other years. We have not succeeded in coping with everything in the management, organization, or production process.

It is scarcely honorable that the Vitkovice and Skodaexport economic production units have so far failed to fulfill the order for rolling equipment and for spare parts worth several million rubles. Similarly, it does not benefit the good name of the CKD Compressors and Pagoinvest enterprises that they still have a large debt in spare parts. The Tatra Koprivnice enterprise still must deliver several million rubles' worth of spare parts for trucks. And the flour mill machinery factories are not fulfilling the orders to the tune of several tens of millions of rubles, because they lack the necessary parts from the Elektromont enterprise.

It is also necessary to tighten control of the quality of work done by our production and trade organizations. Although one can regard complaints about several thousand products in a shipment of many millions as a tiny percentage that is common in trade contacts, nevertheless the position of the Soviet clients is correct: they claim that they cannot allow thousands of Soviet people to buy a Czechoslovak product and then be disappointed in its quality. Such a sincere remark should encounter an appropriate response in the control of the standards of our deliveries.

POLAND'S BEDNARSKI ARRIVES ON OFFICIAL VISIT

Arrival in Prague

LD140601 Prague Domestic Service in Czech and Slovak 1600 GMT 13 Nov 85

[Text] Henryk Bednarski, secretary of the PZPR Central Committee, arrived in Prague today for a friendly working visit at the invitation of the CPCZ Central Committee. He was welcomed at Ruzyne Airport by Jan Fojtik, candidate of the presidium and secretary of the CPCZ Central Committee; and Josef Havlin, secretary of the party's Central Committee.

Talks with Husak

LD142207 Prague CTK in English 1630 GMT 14 Nov 85

[Text] Prague, Nov 14 (CTK) -- Czechoslovak Communist Party General Secretary and President Gustav Husak received here today Secretary of the Polish United Workers' Party Central Committee Henryk Bednarski.

They appreciated cooperation in ideology which helps strengthen internationalist ties between the Marxist-Leninist parties and the peoples of the two countries, and discussed the possibilities of its further extension.

Gustav Husak and Henryk Bednarski informed one another about the preparations for thw two parties' congresses, stressing that the development of all-round relations between the two parties is a contribution to further strengthening of the unity of the countries of the socialist community in the joint struggle for the preservation of peace and elimination of the threat of nuclear war, for socialism and social progress in the world.

JAKES SPEAKS AT RALLY MARKING GOSR ANNIVERSARY

LD072055 Prague Television Service in Czech and Slovak 1455 GMT 7 Nov 85

[Festive rally to mark 68th anniversary of Great October Socialist Revolution [GOSR] held 7 November at Palace of Culture in Prague, with opening remarks by Antonin Kapek, CPCZ Central Committee Presidium member, followed by address by Milos Jakes, Presidium member and secretary of the CPCZ Central Committee -- live relay]

[Text] [Antonin Kapek] Esteemed comrades, I am opening the festive rally of the working and young people of Prague and the central Bohemian region which is being held on the occasion of the 68th GOSR anniversary. Allow me to welcome, as cordially as possible, the delegation of the CPCZ Central Committee and the National Front, headed by Comrade Gustav Husak, general secretary of the CPCZ Central Committee and president of the republic.

I also cordially welcome to today's festive rally our Soviet friends and guests: Comrade Viktor Pavlovich Lomakin, USSR ambassador in Czechoslovakia [applause]; the Soviet delegation from the Soviet-Czechoslovak Friendship Society headed by deputy chairman of the central leadership of the society, Comrade Vladimir Ivanovich Konovalov. [applause] I also welcome the members of the delegation: Comrade Aleksey Vasilyevich Suvorov, secretary of the central leadership of the society, and Comrade Mikhail Ivanovich Kirsanov, hero of socialist labor, a turner.

Comrades, 68 years ago the GOSR uncovered new socialist perspectives to the peoples of the whole world. The Czechoslovak Communists and all our working people have always commemorated the anniversary of Great October as their holiday, and found in its ideas their strength in the struggle for social liberation of the working people. Today, we draw experience from the CPSU for the building of an advanced socialist society in Czechoslovakia, for the struggle for peace, experiences for increasing responsibility and activity of Communists.

Comrades, the festive address at today's rally will be delivered by Milos Jakes, Presidium member and secretary of the CPCZ Central Committee. I ask him to take the floor.

[Milos Jakes] Esteemed comrades, esteemed guests. We meet today at this festive rally to celebrate the 68th anniversary of the GOSR together with the peoples of the Soviet Union and the progressive forces of the whole world. It has entered the history books as the greatest event of the 20th century.

For the first time in the history of mankind a revolution was victorious. It opened the way fully and forever to building a new, socially just society, and gave the working man all the basic political rights of the whole spectrum. The victory of the Russian proletariat 68 years ago began a new era of world history, an era of the natural transition of humanity from capitalism to socialism and communism on a world scale. Since then the all-entwining chain of imperialist rule has been irreversibly broken and removed from a sixth of the world. Since the victory of Great October a new history has begun for the Russian proletariat and the working class of the whole world. For the first time, the ideas of Marxism-Leninism were implemented in the practice of a state rid of the exploitation of man by man, in a state led by the working class, headed by the Communist Party.

Only a party built on such principles of internal life which assure its ideological and political unity, a party familiar with teachings about the natural law of social change and masterfully implementing the strategy and tactics of revolutionary struggle, could prepare and victoriously undertake a socialist revolution, set up and strengthen the dictatorship of the proletariat. Such a party was created by Vladimir Ilich Lenin, a theoretician and organizer of genius, the creator of scientific teaching about the revolutionary view of society, the Marxism of a new age, the founder of the first socialist state of the world, the Union of Soviet Socialist Republics, which has become the symbol of social justice, progress, and peace.

In the spirit of the ideals of the GOSR a solution of the nationalities problem occurred, which cannot be solved by any other social system. On the basis of the statement of the Congress of Soviets in October 1917 about the true right of nations to self-determination, repression of nationalities and inequality of nations were done away with, and factual and legal equality was brought into force. National and international interest were linked in the spirit of the Leninist class understanding of the nationalities policy. If we recall the victorious historical path which the Soviet people passed on since the GOSR, we are aware that this was an unusually complicated and difficult path. The development of the revolution was accompanied by enormous obstacles and the heated opposition of the home and international class enemy. Russian workers, peasants and soldiers had to defend the young Soviet republic in unimaginably difficult conditions against the intervention of 14 imperialist states that attempted to stifle the young Soviet power in its infancy. They had to be equal to the consequences of civil war. Even during Lenin's lifetime they succeeded not only in gradually renewing the national economy but also in setting out great programs for the industrialization of the whole country and the collectivization of agriculture.

The Soviet people successfully proceeded on the unexplored path full of sacrifices, of struggle and work, and withstood even the greatest, true life tests. They succeeded in being victorious in the most terrible war in the history of mankind and in defending the gains of Great October. It will remain forever in the memories of all progressive people, that it was the Soviet Union, which within the framework of the anti-fascist coalition on nations, had the decisive role in the defeat of Hitler's fascism and Japanese militarism. [applause]

The whole world convinced itself of the invincibility of the Soviet system. The plans of the most reactionary imperialist forces, which calculated that the Land of the Soviets would be defeated in World War II or weakened to such an extent that they could dictate to it, failed. The authority of the Soviet Union was strengthened enormously. The attractiveness of the socialist and communist ideals, in the name of which the GOSR triumphed, grew uncommonly. Many nations took the opportunity of the favorable postwar conditions to carry through their social and class interests and chose the course of socialist development.

There occurred a fundamental change in the correlation of forces in the international arena. The map of the world changed in favor of socialism. A world socialist system came into existence, which next to the GOSR constitutes the greatest gain of all progressive forces of the world. A collapse of the colonial system of imperialism occurred. A number of new young states appeared on the world arena, and embarked along the road of social progress.

International reaction also miscalculated that it would take decades before the Soviet Union would achieve, after restoring its national economy and production, at least the pre-war level. The Soviet people in an incredibly short time eliminated the tragic consequences of the war.

Out of ruins and ashes they built new and more beautiful towns and villages, much bigger plants. Year by year the economic, political, and defense might of the Soviet Union grew. Year by year its international authority as a guarantor of world progress and peace increased. Thanks to the innovative efforts, the heroic struggles and selfless work of the broadest strata of people, under the leadership of its Leninist Communist Party, the Soviet Union has been achieving significant successes in the development of all areas of the life of the society. In many respects, it is occupying first place in the world.

Bourgeois propaganda is trying to paint the Soviet Union as a backward country. But it was the Soviet Union where the first nuclear power plant was built, the first atomic ice-breakers constructed, the first man-made earth satellite launched, and where the first manned spaceship was sent into orbit. The Soviet Union is successfully tackling the most complicated questions of science and technology. It is striving to make the national economy markedly more effective, to combine scientific and technological revolution and the advantages of the socialist system. It does not conceal the existing problems and difficulties, but shows how to tackle them. The real and critical attitude to the work accomplished and the courageous seeking of alternatives, as stated once again at yesterday's festive meeting to mark the 68th anniversary of the GOSR in Moscow, serves as an example for us. [applause]

The great experiences of the Soviet Union and its Leninist Communist Party constitute an enduring source from which all true fighters for socialism and communism draw their strength and lessons.

In the present period the draft of the new edition of the third CPSU Program, which was submitted to the Soviet people for discussion before being debated at the 27th Congress, is drawing unprecedented attention, not merely in the Soviet Union but also in all other socialist countries and in the whole progressive public of the world. It is truly a Communist Manifesto for our time, a document of historic significance that demonstrates convincingly the inexhaustible vitality and enduring topicality of the legacy of the Great October and the ideas of Marxism-Leninism, which open up further enormous advantages and possibilities of socialism. It is the historic confirmation of the undeniable fact that the future of mankind belongs to socialism and communism. [applause]

It is a clear and attractive program, which shows the aims pursued by the CPSU for achieving a happy life for man and ensuring a lasting world peace as the greatest value of mankind. It is a program for the planned and all-around improvement of socialism and for the further progress toward communism, and the acceleration of economic and social development on the basis of science and technology. It is a program for the growth of the living standard of the Soviet people, the development of socialist improvement of the work of the party, and the enhancement of its leading role in society. [applause]

The fact that during the next 15 years almost as much economic potential is to be created as has been built during the entire 68 years of the existence of Soviet power testifies to the demanding nature of the tasks this program is setting out. At the same time it shows the real perspectives not only for the Soviet people, but is also a revolutionary inspiration for our own party and the deliberations of its 17th congress, for the international communist and workers' movement, and for the progressive, democratic, and peace-loving forces the world over. [applause]

Comrades! On the occasion of the 68th anniversary of the GOSR we realize once again how their ideas significantly influenced the destiny and the historic course of our nations. Under the direct influence of Great October the Austro-Hungarian monarchy and the German empire disappeared from the map of the world.

The idea of the self-determination of nations, which found its full application in Soviet Russia, became a great force that stimulated and stepped up the effort to form an independent Czechoslovak state in 1918. The class struggle of the working people for their social and political rights assumed greater intensity. The victory of the GOSR also speeded up the formation of Marxist-Leninist parties in a number of countries, including Czechoslovakia.

Nearly 65 years of the existence of the CPCZ, and its struggles for the liberation and well-being of the working man, provide convincing testimony that the basis of its successes was loyalty to the ideas of Marxism-Leninism, the vitality of which was tested in practice in the GOSR and which was confirmed throughout the entire epoch of building socialism. Any deviation from their creative application and development always leads to difficulties and in certain conditions can threaten the very existence of socialism.

The evidence of this was the deep crisis that occurred in our party and society at the end of the sixties. The analysis of both the causes and circumstances of that crisis-ridden period is contained in the enduringly valid document "Lessons From the Crisis-Ridden Development in the Party and Society After the 13th CPCZ Congress", which was adopted 15 years ago next month. The topicality of its conclusions lies primarily in the relentless endeavor to strengthen and continuously develop the Leninist principles governing the activity of the party and society, in the reinforcement of the party's ability to take action, and in its links with the people. It must not be forgotten for a single moment that the CPCZ is a revolutionary vanguard of the working class, all working people. The realistic Leninist policy of the party, our steadfast friendship, cooperation and alliance with the Soviet Union, and the firm unity and coordinated course of action of all the socialist countries is the guarantee for the success of our society's socialist development. [applause]

We can say with justifiable pride that our party is loyal to these principles and that it will continue to be so in the future. [applause] We single out once again and place into the forefront these principles and their highly topical significance, especially now when our entire party and society are making preparations for the 17th CPCZ Congress.

Comrades, on the occasion of the 40th anniversary of the liberation of Czechoslovakia by the glorious Soviet Army, we evaluated the results achieved in the development of our socialist homeland. These results fully confirm the correctness of our party's policy and the fact that our generations have not lived and worked in vain. In the past 40 years there has been an unprecedented development of production forces, the economic balance of all areas, and the great development of Slovakia. This enabled a considerable rise in the standard of living of the people and the securing of their social certainties, and the all-around development of culture and education. Exploitation and unemployment were removed forever. Citizens' liberties were widely extended. Our people became the true rulers and managers of our lands.

The nationalities question was solved on the basis of Marxist-Leninist principles. The international standing of Czechoslovakia was strengthened. To recall these facts means not only to be aware of the great values and gains which were brought by socialism, but also that we must never allow anyone to debase these results. [applause]

In building society and developed socialism, we are faced with the same demanding revolutionary tasks as was the case during the building of the foundations of socialism. It is a qualitatively new stage of socialist development, demanding the transition of the national economy to the path of intensive development, an increase in efficiency and quality of work, and the mastery of the most modern results of science and technology.

A considerable increase in the productivity of labor, making use of the everlasting advantage of the socialist method of production and socialist democracy, and increasing the citizens' share in the management and running of society. We must work so that every worker, farmer, and member of our intelligentsia, and especially every management worker, acts as a responsible manager everywhere and at all times.

The process of the intensification of the national economy on the basis of scientific and technical progress is a joint task of all members of the CEMA. This is why measures were adopted at the summit meeting of the economic council in Moscow last year for the speeding up of the process of socialist economic integration by way of a coordinated economic policy and a joint solution to the most important problems of economic development. In harmony with the conclusions of this council, a complex program of scientific and technical progress of CEMA members up to the year 2000 is being prepared, which should be signed this year. The goal of the complex program is to secure the highest level of science and technology and production in the most important areas of world scientific and technical progress, and to strengthen the technical independence and standing of socialism in peaceful competition with capitalism. We consider the consistent realization of the program as an important economic and political task, which will find a corresponding place in the documents of the 17th CPCZ Congress. Our active participation in socialist economic integration will gradually enable the implementation of the necessary structural changes, with the aim of speedier reduction of the material and energy demand of the creation of national income, speedier specialization and cooperation in production, an increase in its serial production, and a reduction in the production range.

The complex program does not mean the isolation of our states from world economic and scientific-technical decelopment. As emerged from the session of the Political Consultative Committee of the Warsaw Pact members which took place in Sofia, the members consider it possible and necessary to subordinate international scientific and technical cooperation to exclusively peaceful goals, and they expressed their readiness to contribute to the working out and realization of a unified global program concerning key directions of present science and technology in the interests of solving the problems of the whole of humanity.

We give decisive importance to cooperation with the Soviet Union. A telling example of this is the construction of Czechoslovak-Soviet friendship, the Prague Metro, which, to the joy of the citizens of Prague, put a new line into operation last week. [applause]

Another step in the development of this cooperation is the program for the long-range economic, scientific, and technological cooperation between the CSSR and the Soviet Union for the period of up to the year 2000, which constitutes a new quality in our mutual relations and which proceeds from the necessity for close coordination of economic policy and the need for deeper links between the Czechoslovak and Soviet economy under mutually advantageous conditions. [applause] This is also borne out by the extent of the mutual exchange of goods, which despite having recorded significant growth during the period of the Seventh 5-Year Plan, will increase by more than one-third in the course of next 5 years and will total Kcs 820 billion.

Effective production sharing and specialization of production, the mastering and practical utilization of the latest discoveries of science and technology, the introduction of new technologies and coordination of scientific and research work come into the forefront. This gives new impulses to our scientists, technicians, engineers, and designers, and provides extensive opportunities for our working people to apply their creative capabilities.

Comrades! We assign a key role to the raising of the quality and technological standard of the goods produced. We concentrate our attention on the development of engineering and electronic as a basis for the technical modernization of the entire national economy; it is the condition for raising the performance of our economy and its export capability. Along these lines proceeds the preparations for the 17th CPCZ Congress, and work on the guidelines of the social and economic development in the Eighth-5-Year Plan and up to the year 2000. This aims for the further growth of the people's living standard, the strengthening of their social guarantees, and the raising of our country's share in the growth of the economic power of the socialist community as the decisive factor in the struggle for peace and progress in the world.

The essential prerequisite for the intensification is improvement in the management of the national economy. We see ready-made formulas to open doors for the free play of market forces, not the weakening of socialist principles, but in their thorough, creative application and development. In our plan to improve the system of management we proceed for democratic centralism. The issue is to perfect and improve the quality of planning, especially in such a way so as to ensure that the thrust of the plan is the realization of the results of science and technology. This also calls for the improvement and utilization of economic tools and commodity and fiscal relations [zbozne-penezni vztahy] and the application of the consistent supervision of the fulfillment of tasks. At the same time we will strengthen the powers and accountability of enterprises. The issue is the ensure the increased contribution of each segment of management toward achieving the fullest satisfaction of the needs of society with the lowest consumption of all kinds of resources. Leading officials are duty bound to seek ways to fulfill demanding tasks and not waste time and energy for justification why this or that cannot be done. It is essential to apply consistently the self-supporting [khozraschot] method of management and accountancy in production. We are concerned that the entire system ensure a broad participation of the working people in management, and the full development and application of their creativity and initiative as a manifestation of the socialist consciousness of our working people as managers of this country.

The raising of the activity of working collectives through the brigade method of the organization of labor and remuneration, to which we must devote greater attention and create essential conditions to develop this form, has an important role to play in this. All this is an important prerequisite for the speeding up of social and economic development of our country.

The application of social justice is of great importance. In particular the issue is for us to push through with greater resoluteness the principles governing socialist remuneration in accordance with the quantity and quality of work, not to tolerate shoddy and bad quality work, parasitism, disorder, inefficiency, indiscipline and unearned incomed. [applause] For this reason it is also essential to apply more consistently strict supervision of the measure of work and the measure of consumption, because without the conscientiousness and consciousness of the vast majority of people, socialism cannot be built. [applause]

Comrades, in less than 2 months the Seventh 5-Year Plan will end. We can say already today that the social economic intentions of the 16th CPCZ Congress will be successfully fulfilled overall, and in some areas they will be exceeded. This must not be enough for us, however. We look forward and the demand of the time is to set ourselves even more demanding tasks which we will approve at the 17th CPCZ Congress. The 15th session of the CPCZ Central Committee, which in the report by Comrade Husak laid great emphasis on the fulfillment of the year's plan as an important prerequisite for entering the Eighth 5-Year Plan, discussed its preparation.

A number of enterprises are already announcing the fulfillment of tasks of the Seventh 5-Year Plan. It is necessary to emphasize that it is possible to consider the tasks of enterprises and factories as fulfilled only when they have also fulfilled this year's tasks.

The conclusions of the 15th session are a basic directive for the work of the whole party, state, and economic organs and social organizations in the pre-congress period and the content of the sessions of annual party members' meetings. We value the fact that the calling of the 17th Congress has become the impetus for the development of workers' initiative, which has in the past made a significant contribution to achieving the goals set out. It is now namely a matter of directing it to the fulfillment of qualitative indicators, increasing the efficiency and quality of work, the wide implementation of the results of science and technology in practice. In this connection we value the decision of the Central Council of Trade Unions to develop socialist competition in honor of the 17th congress for a reduction in material demand by one-half percent, for increasing the productivity of labor by 1 percent a year, and for a considerable increase in the quality of manufactured products, above the tasks of the state plan.

An important part of this workers' initiative is the appeal by Prague enterprises to speed up scientific and technical development, which a number of enterprises have joined. All this shows that the majority of workers have the correct understanding that the basis of the development of all areas of society is the development of the economy. We see the most important sources of strength and the life capability of socialism in their energy and avid creativity. Without this it is not possible to solve our tasks successfully.

A new age makes new demands on ways of thinking and approaches. It is a process of transition from expansive to intensive method of management which is complicated, demanding, and difficult to implement. To understand this and to subordinate one's activity to the demands of the present stage of development, to have a new approach to the solving of social-economic, scientific-technical, and ideological-educational problems, to create an atmosphere of a demanding and inspiring activity, and at the same time irreconcilability with everything that is outdated, with uneconomic management, with locally patriotic and sector interests, is one of the most decisive conditions of intensification and increase in the efficiency of the national economy, the overall speeding up of the social-economic development of our society.

Comrades, we can only implement our daring plans under conditions of peaceful building. Socialism and peace are indivisible. The first proof of this was the decree on peace published by the Soviet Government during its very first few hours in power -- the first document for a universal, just, and democratic peace. The CPSU and the Soviet Government have always been true to this policy of peaceful coexistence.

The continuity of this peace policy, from the GOSR to today and for the future, is once again unequivocally expressed in the draft of the new edition of the CPSU Program. It is above all thanks to the Soviet Union that we have lived in peace for 40 years. The world domination plans of imperialist aggressive circles were not implemented due to the achievement of military strategic balance between the Soviet Union and the United States, between the Warsaw Pact and NATO. The positions of socialist countries and all progressive forces have been strengthened.

The preservation of this balance is of life interest for the whole of humanity, particularly at the present time, when the United States is striving to achieve military supremacy in order to dictate its will to other nations and states and to arrange the world according to its imperialist ideas. They are producing and siting the most modern strategic arms systems with bases on the earth at sea and in the air.

The danger that the arms race will be carried into space, by which the United States wants to gain the ability to make a first nuclear strike against the Soviet Union and socialist countries without consequences, gives rise to exceptional concern. The siting of American nuclear medium-range missiles creates a new dangerous situation on the European Continent.

As a result of all this, developments in the world have gone so far that, as was said by Comrade Mikhail Gorbachev, the taming of the forces of militarism and war and the securing of lasting peace and reliable security is the fundamental problem of today. It is possible to add that this is the historical calling of socialism and all progressive peace forces. [applause]

The ways out of the present dangerous situation are shown by the Soviet Union and the Warsaw Pact member states. In their Sofia declaration, on the basis of a detailed and sober analysis of the present international situation, they express the conviction that the forces of peace acting actively and jointly are capable of averting a nuclear catastrophe and securing a life in peace. The Warsaw Pact member states call on all reasonable people of the world to undertake talks, and they express their willingness and readiness to do everything for active participation with all those who are in favor of the normalization of the international situation.

They consider as the main goal of all peace forces removal of the threat of a nuclear war, reduction of the level of military arms, and development of international relations in the spirit of peaceful coexistence and detente. This is also what the wide complex of proposals of Warsaw Pact states and their statement are leading toward -- the statement that there is no type of weapon which they are not prepared to limit, reduce, remove from arsenals and forever liquidate, on the basis of agreement with other states, while respecting principles of equality and equal security. In order to implement a positive turnabout in the world, it is necessary to put an end to the imperialist policy of force and aggression, such as can be witnessed in Nicaragua, El Salvador, southern Africa, the Middle East, Southeast Asia and elsewhere, to respect national independence and present political and territorial realities, not to interfere in the internal affairs of other states and not to undertake or justify a policy of state terrorism, and to put an end to the reviving of revanchism and the policy of apartheid. The Warsaw Pact member states unconditionally supported the Soviet Union's constructive approach on practical solutions to avert the arms race, and the new important proposal that the Soviet Union and United States should agree to a complete ban on space strike weapons and to radically, by 50 percent, reduce the number of nuclear weapons capable of reaching the territory of the other side. They also fully supported the concrete unilateral steps taken by the Soviet Union, such as the moratorium on all nuclear explosions, an end to the siting of Soviet medium range means, and the proposal put forward to the UN General Assembly for international cooperation in making peaceful use of space while excluding its militarization, a proposal that provides an alternative to "star wars" with star peace and lasting peace on the earth. The proposals of the Soviet Union are a practical example of its honorable and honest effort to create the best possible conditions for improving relations with the United States, proof that the Soviet Union has gone its half of the way.

We sincerely welcome the forthcoming meeting between Mikhail Gorbachev, general secretary of the CPSU Central Committee, and Ronald Reagan, President of the United States, in Geneva, and together with the peaceloving nations of the world we hope that it will contribute to reducing the present dangerous tension in the world and help end the arms race. Now it is up to the United States to prove its words and peaceful assurances with concrete acts. [applause]

The Soviet Union and Warsaw Pact member states in Sofia again confirmed that they are not striving to achieve military supremacy, but also will not sacrifice the security of their people and will not allow military supremacy over themselves under any circumstances. In this context the participants of the session emphasized the most important task of the military political union of the Warsaw Pact, which has for 30 years reliably protected the peaceful building work of fraternal nations and is an important factor of the preservation of peace in Europe and the whole world. There has not been a single session of representatives of this union which has not given rise to new constructive proposals and initiatives. In the same way now they turn to governments and nations with an appeal to unite in efforts in the struggle against the danger of total destruction, for solving all international problems by means of talks on the basis of respecting the legal interests of all countries. Differences in world view, in politics, and conviction cannot be an obstacle.

The CPCZ Central Committee Presidium and the Government of the CSSR highly value the documents adopted at the Sofia session of the Warsaw Pact and have expressed full support for the constructive approach of the Soviet Union to the Soviet-American talks in Geneva and its new, far-reaching peace initiatives. Just as up to now, in the future we will also actively participate in strengthening the unity and alliance of the countries of the socialist community, this decisive force of world peace and progress. [applause]

In the spirit of proletarian internationalism, we also express our revolutionary solidarity with the international communist movement, with all revolutionary forces which under the banner of Great October fight in capitalist countries for a better life for the workers, for true human rights -- which are above all the right to work, education, social, political, and citizens rights. We are on the side of all those who fight for national liberty and for their economic, political, and social independence, on the side of those who strive for disarmament, for general security, and lasting peace. [applause]

The Leninist policy of peaceful coexistence fulfills the longings of all progressive people of the world. It is the policy of the CPCZ and our socialist state. Comrade Gustav Husak, in his message to the 40th anniversary of the founding of the United Nations organization on behalf of all our people, confirmed our loyalty to this policy. [applause]

Comrades, on the basis of their own experiences, the whole period of modern history, our people have drawn the conclusion that the guarantee of our national liberty and state sovereignty, and our revolutionary path to socialism and communism, is the unbreakable friendship, alliance and cooperation with our most loyal friend, the people of the USSR. [applause]

We will always be grateful to the Soviet Union, born from the GOSR, and to its Leninist Communist Party, for our liberation, for the fact that we can make decisions about our fate ourselves, for comprehensive help in the building of socialism and the possibility to make use of the rich experiences, for the fact that for 40 years we have enjoyed a life of peace and freedom. [applause]

The words of Klement Gottwald -- that it is possible to build on the friendship of the Soviet Union as on a rock, and that our nations, which have for hundreds of years waged a struggle for bare existence, can look forward to a new happier future -- have been fulfilled. [applause]

Our nations have been convinced of the fact that friendship and internationalism are a basic principle for the Soviet people, to which they will always and under all circumstances remain loyal.

We honor the Soviet people for the work they have fought out under the leadership of the Leninist Communist Party, created, defended and are successfully developing. [applause]

On behalf of the CPCZ Central Committee, the general secretary of the party's Central Committee and president of the Republic, Comrade Gustav Husak; on behalf of the National Front and government of the CSSR; and on behalf of all our people, we send warm greetings to the fraternal Soviet people and their Communist Party from this rally. [applause]

From the bottom of our hearts we wish them success on their path toward communism and we assure them that we, also deeply dedicated to the ideals of Great October, will work with all our might to strengthen socialism and peace. [applause]

Glory to the GOSR. May the ideals of Marxism-Leninism and proletarian and socialist internationalism continue to be victorious. [applause] Glory to the heroic Soviet people and their Leninist Communist Party. [applause] May the unbreakable friendship, alliance and cooperation of the peoples of the Soviet Union and Czechoslovakia continue to strengthen and grow. [applause]

USSR Ambassador's Speech

LD072216 Prague Television Service inCzech and Slovak 1830 GMT 7 Nov 85

[Excerpt] Comrade Viktor Lomakin, Soviet ambassador to Czechoslovakia, spoke at the celebration rally in Prague to mark the 68th anniversary of the Great October Socialist Revolution. He emphasized that the October Revolution set out the main direction and foremost tendencies of world development. The first socialist country in the world was faced with exceptionally difficult tests. The wars and the period of reconstruction cost us almost 20 years after the October Revolution, Viktor Lomakin said. However, under the leadership of the Communist Party, the Soviet Union became a huge socialist power with a highly developed economy, general education, and progressive culture.

We celebrate the anniversary of Great October in a historically important, exceptionally responsible period in the life of our party and of all Soviet people, in the period of preparation for the 27th CPSU Congress. The interests of socialism and its further upward development and perfecting, have given our country a task of great political significance; to bring the national economy to a completely new, scientific and technical, and organizatinally economic level. We must achieve a marked change in the intensification of social production, activate the whole system of political and social institutions, and deepen socialist democracy and self-management of the people.

In order to achieve the great creative goals, we need secure peace and a calm and normal international situation. The present disturbing situation in the world thus demands vigilance and activity from all those who have a sincere interest in securing a peaceful future for today's generation and for future generations.

In conclusion, Comrade Viktor Lomakin praised the fruitful and dynamically developing cooperation with Czechoslovakia.

FURTHER REPORTAGE ON SAARLAND'S LAFONTAINE VISIT

Received by Axen

LD141730 East Berlin ADN International Service in German 1104 GMT 14 Nov 85

[Text] Berlin, 14 Nov (ADN) -- Hermann Axen, member of the Politburo and secretary of the SED Central Committee, and Oskar Lafontaine, Saarland minister-president and member of the SPD Party Executive, met at the SED Central Committee building this morning for a talk centering on international problems.

The two politicians agreed that political dialogue is of exceptionally great importance, especially in the present complicated and tense world situation, and could make a considerable contribution to an improvement of the political climate. Starting from the assumption that the preservation and safeguarding of peace is the most important present concern of all realistically thinking forces that are ready for understanding, the two interlocutors explained their ideas on how further impetus could be given to the struggle for peace and disarmament and for the prevention of the militarization of space.

Hermann Axen and Oskar Lafontaine stressed the responsibility, from a historical viewpoint, which the two German states situated at the heart of Europe bear for the preservation of peace and the elimination of the danger of a new world war that would destroy mankind. From this arises the obligation that the GDR and the FRG demand concrete measures for disarmament and arms limitation, and especially for a ban on deployment of offensive weapons in space and the halting of nuclear arms on earth. The two politicians assessed the joint political initiative of the SED and the SPD for the establishment of a chemical weapons-free zone in Europe as a practical step for European security. Consultations between representatives of the SED and SPD for proposals for the creation of a nuclear weapons - free zone in central Europe are particularly important.

Hermann Axen pointed to the diverse and far-reaching proposals made by the Soviet Union, the GDR, and other socialist states for the safeguarding of peace and elimination of the danger posed by the means of mass destruction.

Oskar Lafontaine stressed that the interest in the reduction of tension is a joint one. He agreed that the preservation of peace is the paramount issue. Different opinions on one question or another must not be a reason for not facing up to the responsibility which all states bear today for the problems of security, disarmament, and cooperation. The talk was held in a friendly atmosphere marked by far-reaching agreement. Taking part were Herbert Weiz, member of the Central Committee, deputy chairman of the Council of Ministers and minister of science and technology; Kurt Nier, deputy foreign minister; and Gunter Rettner, deputy director of the International Politics and Economics Department of the SED Central Committee.

President for the SPD were: Reinhard Klimmt, chairman of the SPD State Parliamentary group and chairman of the SPD subdistrict of Saarbruecken; Norber Engel, president of the Saarland Chamber of Labor, deputy chairman of the SPD Saar State Association and chairman of the SPD subdistrict of Neunkirchen; and Hans-Peter Weber, deputy minister for Employment, Heath and Social Affairs and secretary of the delegation.

Economics Minister Meets Beil

LD142222 East Berlin ADN International Service in German 1413 GMT 14 Nov 85

[Text] Berlin, 14 Nov (ADN) -- Dr Gerhard Beil, member of the GDR Council of Ministers and state secretary, held a discussion on Thursday [14 November] with Hans-Joachim Hoffmann, Saarland economics minister, who is accompanying Oskar Lafontaine, minister-president of Saarland and chairman of the SPD Saar State Association, on his visit to the GDR. The discussion centered on the state of and prospects for trade and economic relations between the GDR and the FRG, and companies in Saarland.

During the course of a constructive exchange of views, both sides emphasized the continuity and dynamism of these relations, with regard to which the balance of mutual supplies and purchases is especially important. With reference to the considerable trade level between the two German nations, in which Saarland companies are also involved, interest was shown in further developing economic relations on the basis of equal rights and for mutual benefit. The positive economic development of the GDR offers numerous starting points for this.

Hans-Joachim Hoffmann acknowledged the significance of stable economic cooperation between the FRG and the GDR for Saarland's economy and stressed that strengthened contacts between Saarland firms, and also foreign trade concerns, and GDR combines, has effectively supported the positive development of business relations. His visit to the GDR will stimulate new impulses for bilateral economic relations.

FRG Officials Protest Remarks

LD141537 Hamburg DPA in German 1456 GMT 14 Nov 85

[Text] East Berlin/Hamburg, 14 Nov (DPA) -- Saarland Minister-President Oskar Lafontaine (SPD), whose remarks on recognizing GDR state citizenship caused the FRG Government and CDU/CSU members to protest has stated his views more precisely. In intra-German relations, people have "so often for years unnecessarily carried on about principles," Lafontaine said this afternoon in an interview for Second German Television (ZDF) in East Berlin immediately before he left for Dresden. It is not a question of "the procedure in traffic between states," but of "whether a GDR citizen, when he travels, even if he travels to the Federal Republic, learns that he has state citizenship, that of the state."

Commenting on the view expressed by Lafontaine at a press conference last night in East Berlin that if one wants normal travel between the two German states then GDR state citizenship will "sooner or later" have to be recognized, Minister in the Chancellor's Office Wolfgang Schauber said that by saying this the Saarland minister-president has totally abandoned the principles of a joint German policy.

Eduard Lintner, CDU/CSU spokesman on the German policy, declared that Lafontaine had thereby touched on the heart of the German policy.

CSSR'S INDRA COMMENTS ON VISIT, DISCUSSIONS

LD142146 East Berlin Voice of GDR Domestic Service in German 1605 GMT 14 Nov 85

[Interview with Alois Indra, CPCZ Central Committee Presidium member and chairman of CSSR Federal Assembly, by Monika Hansch on 14 November "at the end of the visit"; in CDR at place not further specified -- recorded; Indra's answers in Czech with superimposed translation]

[Text] [Hansch] Comrade Indra, in what areas have there been and are there now contacts between the two people's representations of the CSSR and the GDR, and how do you assess the influence of this cooperation over many years and the activity of the deputies in your country?

[Indra] You have correctly said that our relations with the GDR People's Chamber have already existed for many years and that we can point to a good tradition in this area. What is important is that our cooperation is not only of a -- so to speak -- official character, but that it is used for a genuine exchange of experiences between the deputies of the standing groups or, as they are called in the GDR, the standing commissions. It is certainly good to always adopt the positive elements from either side and then use them in our own countries.

It was in this spirit that we conducted talks on this visit, too, with the representatives of the GDR People's Chamber, with the deputies and representatives of the individual councils, in order that our two parliaments, in the two countries, could collect experiences for the further development of socialist democracy. In the current exchange of experiences in your country we have gained many useful, stimulating ideas, particularly in the work of the individual groups and the parliamentary groups, and especially in the youth, trade union and women's groups in the People's Chamber. All this will help us greatly in our future work, particularly in the new electoral period for the Federal Assembly.

[Hansch] Comrade Indra, there is a whole series of opportunities to work together in the interparliamentary sphere. How do you view the possibilities of this interparliamentary cooperation for the securing and preservation of peace in Europe, and what kind of relations exist in this respect between the CSSR and other states on our continent and beyond?

[Indra] In contrast to some Western parliamentarians, we are deeply convinced that there is nothing more important at present than the securing the preservation of peace. In this we are in agreement with our friends and comrades in the GDR, and the fundamental msision of parliaments in international relations and on the basis of the IPU [International Parliamentary Union] consists of this. Our Federal Assembly has very lively and rich links with all parliaments on all continents. These contacts particularly with the bourgeois parliaments are extremely useful, not because we want to try to convert our colleagues there to our beliefs, but because it is possible thus to expound and explain the principles of our internal policy, that is, the method of functioning of socialist democracy, and the principles of our foreign policy, which is in accord with the Soviet Union's peace proposals. And we are implementing this policy, both on the basis of the IPU, side by side with the deputies, and also in all bilateral and multilateral negotiations.

[Hansch] During your 4-day stay in the GDR you and those accompanying you have had the opportunity for numerous meetings with leading politicians and also with our country's deputies. What impressions are you taking home from this visit?

[Indra] Though I am a frequent guest of your country, I am still strongly made aware on every visit of the concrete results of the SED's policy in the development of the socialist society. I am thinking of the success of industry, in the results achieved by your cooperative and state agriculture, but also of such things as the development and reconstruction of the old districts, Berlin for example, of the construction of new residential complexes and so forth. We had the opportunity to see this success yesterday on our visit to the Frankfurt/Oder Bezirk, which was once one of the most backward regions, including its [word indistinct] level. Today it is a flourishing industrial and agricultural area, which contributes a significant portion to the GDR national income. This is convincing proof of the success of socialist development for the whole country. A great impression was also made on me by the enthusiasm of the deputies at all levels of representation in the GDR as they carried out their functions. In all political talks with the representatives of the Frankfurt Bezirk and Kreis we could see that the mutually beneficial cooperation between our two countries [word indistinct] the cause of socialism and peace in the whole world. We are traveling home with the conviction that we have in the GDR a neighbour that is in all respects reliable, with which we shall continue to develop our cooperation.

My talk with the Erich Honecker, general secretary of the SED and chairman of the GDR State Council, a friend of our country for many years, particularly moved me. He talked convincingly and vividly about the GDR's policy and the preparations for the 11th SED Congress. For us, for the deputies of the CSSR Federal Assembly, this imposed an obligation to contribute through all our strength and the opportunities open to us to ensure that our mutually beneficial cooperation is further expanded and consolidated.

SFRY'S SREBIC HOLDS DISCUSSIONS WITH STOPH

LD141033 Belgrade TANJUG Domestic Service in Serbo-Croatian 2015 GMT 13 Nov 85

[Text] Berlin 13 Nov (TANJUG) -- Today, during their meeting in Berlin, the chairman of the GDR Council of Ministers, Willi Stoph, and Borisav Srebic, vice president of the Federal Executive Council, stated that relations between the two countries are developing well and that possibilities exist for their improvement in all areas, particularly in economics.

Premier Willi Stoph particularly stressed that, given the outcome of the talks which Radovan Vlajkovic, president of the SFRY Presidency, and Vidoje Zarkovic, president of the LCY Central Committee Presidium, had with Erich Honecker, general secretary of the SED Central Committee and chairman of the Council of State, during the latter's recent visit to Yugoslavia, "we have every reason to be optimistic." He assessed GDR-SFRY relations as very good. In Stoph's view, the visit to Berlin by Borisav Srebic, vice president of the Federal Executive Council, places fresh tasks before us. According to him relations between our countries should be gradually improved.

The GDR Premier referred to the need for safeguarding peace, stressing that the GDR wishes to continue its committment to the issues of peace, disarmament and detente. He also pointed to the need for all progressive forces in the world to take part in it. In this context he also stressed the important role, played by the movement of nonaligned countries and of Yugoslavia, in particular.

Stoph and Srebic welcomed the forthcoming meeting between Mikhail Gorbachev and Ronald Reagan in Geneva which could have an effect on the creation of a favorable international climate.

In the course of the talks they both stressed that relations between the GDR and Yugoslavia are not encumbered by problems and that they should be constantly improved. Particular potentials are offered in the economic sphere by a higher form of long-term cooperation such as specialization and industrial cooperation. Both sides assessed positively the work by the two countries' planning bodies which are now meeting in Berlin.

The outcome of these negotiations, in Stoph's and Srebic's view, will help to maintain the improving forms of cooperation and promote it through new, higher forms of development.

The talks between Premier Stoph and Vice President Srebic were also attended by Milos Sindjic, director general of the SFRY Federal Institute for Social Planning; and Ljubomir Majeric, the SFRY ambassador to CDR.

Borisav Srebic and members of the Yugoslav delegation were guests this evening at a dinner given in their honor by Gerhard Schuerer, deputy chairman of the Council of Ministers and chairman of the State Planning Commission.

Tomorrow morning [14 November] the Yugoslav delegation will tour the Friedrich Ebert electrical appliance combine of Berlin-Treptow. In the afternoon they will go sighseeing.

The visit by Boris Srebic, vice president of the Federal Executive Council, ends on Friday [15 November] when a protocol on the exchange of goods and service between GDR and Yugoslavia for the period 1986-90 is expected to be signed.

BRIEFS

SPORTS AGREEMENT SIGNED WITH PRC -- Berlin 10 Nov (ADN) -- The GDR and China have agreed on the exchange of sports delegations for 1986. A protocol to this effect was signed on Sunday [10 November] by Guenther Heinze, vice president of the German Gymnastics and Sports Association (DTSB) of the GDR, and Zhang Caizhen, vice minister of the Chinese Physical Culture and Sports commission, at the end of the Chinese delegation's stay in the GDR. The heads of both delegations noted that the agreed exchange of sports teams for important international contests, and of trainers, scientists, and specialists, will further deepen the traditional relations between the two sports organizations. At the same time, it contributes to the strengthening of the friendship between sportsmen in the interests of the world-wide struggle for peace. [Text] [East Berlin ADN International Service in German 1914 GMT 10 Nov 85 LD]

COOPERATION WITH ROMANIA -- East Berlin (ADN) -- At the invitation of the Ministry of Bezirk Administered Industry and Food Industry Marin Cristea, deputy minister of the Wood Industry and Construction Materials of the SR of Romania stayed in Berlin for coordinating the work program on scientific-technological cooperation, particularly in the field of wood industry and furniture production, for the 1986-1990 period. In a talk with Dieter Koschella, GDR deputy minister of Bezirk Administered Industry and Food Industry, the participants termed cooperation to date beneficial. The Romanian guest had further talks in the Ministry of Glass and Ceramics and in the Ministry of Construction. [Excerpts] [East Berlin NEUES DEUTSCHLAND in German 26-27 Oct 85 p 3 AU]

REAGAN'S SPEECH BUILT OF 'EMOTIONA .' ELEMENTS

LD151015 Budapest Domestic Service in Hungarian 0400 GMT 15 Nov 85

[Text] Ronald Reagan, President of the United States, has outlined the attitude of the Washington administration toward the Geneva summit in a speech transmitted from the White House. Our correspondent Elemer Csak reports from New York.

The U.S. President called his trip to Geneva a peace mission, and in his television statement he asserted that his intention was to lay the foundation for peaceful dialogue and constructive cooperation with the USSR. In his 20-minute speech, Ronald Reagan by and large avoided the most important problems. He said his goal was to lay the foundations for a lasting peace, to build bridges, and not to sign short-term agreements.

On this occasion the President refrained from voicing anti-Soviet rhetoric, making only brief references to what he called Soviet obstacles in the way of arms reduction, and only indirectly did he criticize the other superpower for violating human rights. Speaking about the agenda for Geneva, Reagan mentioned as a final point the question of nuclear weapons. In contrast to this, he again offered his own recipe for solving certain regional problems and then he made specific recommendations for the development of bilateral ties. He urged cultural, educational, and scientific exchanges and joint sports competitions, and, in effect, rediscovered precisely the areas where the United States itself had frozen bilateral contacts.

At the conclusion of his speech, which was constructed out of mainly emotional elements, Reagan repeated the view that a single summit meeting could not solve everything, but that Geneva could represent the beginning of a dialogue between the two superpowers.

SZUROS COMMENTS ON SUMMIT, ROMANIAN RELATIONS

LD150034 Budapest Domestic Service in Hungarian 2120 GMT 14 Nov 85

["Ten Minutes of Foreign Politics" program; conversation between Matyas Szuros, secretary of the MSZMP Central Committee, and reporter Istvan Kulcsar; time and place not given -- recorded]

[Text] [Kulcsar] I would like to ask Matyas Szuros, secretary of the MSZMP Central Committee a few questions in connection with his book, which has just been published. The book was published a few days ago by the Kossuth Publishing House under the title, "Our Country and the World." It contains articles which appeared in newspapers and journals, studies, lectures, political speeches, and interviews. The themes are Hungarian foreign policy, international politics, and the international workers' movement. Matyas Szuros is not an outside spectator but a participant in the shaping of these affairs. Three weeks ago, for example, he was a member of the Hungarian party and government delegation which, under the leadership of Janos Kadar, took part in the session of the Warsaw Pact Political Consultative Committee in Sofia.

Almost at the same time that you concluded these discussions, whose first speaker was General Secretary Gorbachev, President Reagan met the leaders of certain NATO countries and Japan in New York. Can we say that the main topic at both meetings was the forthcoming Geneva summit?

[Szuros] In essence, we can say that. Our evaluation of the international situation is that there has been no significant change recently. On the other hand, the fact that an agreement has been reached to hold the Soviet-American summit, which will be held soon, is an extremly important and new development in the international process. The political value and signifance of the statement issued in Sofia are based primarily on the fact that the Warsaw Pact countries unanimously assured the Soviet Union of their support as regards the position it will adopt at the Geneva summit.

I think that more or less the same thing must have occurred on the Western side; in other words the leaders of the two world powers can go to Geneva in the knowledge that they are assured of the support of their allies, and they are at the same time familiar with the views of their allies concerning the specific issues that will arise in Geneva.

[Kulcsar] In the introductory study in your book you note how sensitive Hungarian public opinion is to the international situation, to world politics. I think that this is especially so now, before the Geneva summit. People expect a great deal, hope for a great deal. The obvious question is what can we expect from Geneva; however, let me turn this round and ask you, what is it that we should not expect?

[Szuros] There are great expectations of the Geneva summit meeting all over the world. This is perfectly understandable. Public opinion expects that Geneva should produce some results. But let us not harbor any illusions. Such a sudden breakthrough cannot be achieved, not even within the framework of such a summit meeting, which would benefit the causes of peace and security.

What should people not expect? What I could say in reply to this question is that you should not expect to see a failure. My own view is also that both sides have an interest in achieving some sort of a concrete result to the benefit of peace and security, and to the benefit of improved U.S.-Soviet relations. So I believe that neither side has an interest in a conclusion of the summit meeting that would amount fo failure.

[Kulcsar] In your book you say quite a lot about the meeting between Comrade Kadar and the British prime minister last year, when Margaret Thatcher visited Hungary. Recently Janos Kadar repaid this visit. How can this visit, this meeting, be seen within the framework of Hungarian foreign policy on the one hand and British foreign policy on the other?

[Szuros] Janos Kadar's visit to Great Britain fits into Hungarian foreign policy in that we are trying to achieve good relations and cooperation with every country which approaches us in this spirit, which shapes its foreign policy in this spirit. Well, what we find is that Great Britain is interested in maintaining European cooperation, relations, and dialogue; thus, it is a partner with which in our view it is sensible and necessary to develop relations. It has been a constant tenet of Hungarian foreign policy that even when relations between the two leading great powers are cool, we try to maintain dialogue and relations -- that is, to preserve the achievements of detente.

Naturally, our possibilities are modest. But every country, whether small, large, or medium, must do everything it can in the interest of peace and security, for the further progress of the process of detente. This is how Janos Kadar's visit fits into the endeavors of Hungarian foreign policy and also into the so-called Helsinki process.

This visit was very successful. We consider that in view of this dialogue, this meeting with Prime Minister Thatcher and with other British personalities, it is worthwile to make endeavors. Hungarian-British relations are developing well at the present time, particularly in the economic sphere, but it is important that there also be a good political atmosphere for this.

[Kulcsar] Let us now turn to an entirely different area. The volume contains two conversations between you and my colleagues at Hungarian radio, conducted within the framework of the Radio Diary program. On both occasions questions were sent in regarding Hungarian-Romanian relations and you answered them. The most recent conversation was 10 months ago. In your opinion, how have Hungarian-Romanian relations developed since then?

[Szuros] We are trying to have and develop good-neighbor relations with Romania. In our view, Hungarian-Romanian relations could be much better. In regard to the political atmosphere between the two countries, we would like to make these relations better, warmer, and to improve them in the spirit of good-neighbor relations. This is what we are trying to achieve. In the economic sphere our relations are developing, cooperation is wide-ranging. Where we do see greater problems, where difficulties do arise, is in the arena of direct human contacts, the cultivation of human contacts. Here we must try to have more magnanimous conduct on both sides. Thus, as compared to our evaluation of Hungarian-Romanian relations 10 months ago, there has been no significant change.

[Kulcsar] Finally, let me ask you a personal question. I see from the quotations and references in your book that you read a very great deal. What is it that you must read, how much reading have you got time for, and what are you reading at the present time?

[Szuros] I read political literature primarily every day, political, foreign political studies, evaluations, articles, commentaries and so on. Lately I have been reading a volume of Hungarian poetry, an anthology consisting of several volumes. However, I do go back frequently to the original sources. For example, recently I found Lenin's comments on the draft speech which Chicherin, commissar for foreign affairs, was to deliver in 1922 in Genoa.

FUEL INDUSTRY ENDS RECORD-BREAKING YEAR

AU131447 Budapest MAGYAR HIRLAP in Hungarian 11 Nov 85 p 5

[B.V.P.-signed article: "The Valued Oil Resources -- New Underground Storage Tanks Built -- More Secure Natural Gas Supply, Reserves"]

[Text] The Hungarian mineral oil and natural gas extraction industry is probably ending its most successful year to date and, as a result of the unexpectedly cold winter and the subsequent energy supply problems, it will even exceed its plan, which was an accelerated one from the outset. It was because of the cruel mockery of fate that the industry's efforts were not sufficient to compensate for the brutal cold.

This, of course, does not detract anything from the value of the work; on the contrary, to those who are aware of the working conditions, it can serve as an example. It is true, as is often claimed, that it is easy to work well with world bank credits and "ample state loans."

And it is a fact that the national Mineral Oil and Gas Industry Trust [OKGT] received -- as its leaders put it -- the sums it needed for hydrocarbon extraction. This, however, had a great price, because their expected achievements were immediately "incorporated in the plan" [tervesittetek]; that is, these expected achievements were incorporated as one of the basic pillars of the national economy plan, while in the formulation of the plan the other branches were treated somewhat more loosely.

As a consequence, for years the OKGT has been working almost without any production "reserves." The slightest disturbance of its activity and a further spiraling of such a disturbance would cause incalculable disruption in various branches of the national economy. This fact carries great weight when the state loans are allocated and so, of course, does the fact that they would simply not be able to fulfill the plan without new investments.

Substituting for Hard Imports

At the same time there is another aspect to this, which one could say determines the limitation on further increases in production -- namely, that we would not be able to extract considerably more hydrocarbon fuel even if we make manifold increases in the investment sums. On the contrary, accelerated production would cause serious damage. Several signs point to the fact that maintaining the present level is the realistic goal not only in the production of mineral oil but also in that of natural gas. Published data indicate that in the course of the 5-year plan now ending we produced more hydrocarbons than the new sources discovered; thus, energy saving and imports are playing an increasing role in the national economy.

The former, however, is hindered by obsolete technology and product structure and by a worn-out stock of machinery. Imports, however, cannot be increased without limit either. Although the Soviet Union took it upon itself to ensure the level of hydrocarbon supplies, fixing the price at 1985 ruble quotas also for the future, we will have to purchase all amounts exceeding this in convertible currency. It follows from this that the domestic hydrocarbon fuel extraction industry not only "substitutes" a portion of otherwise necessary imports, but it can boast that it has a "dollar-extraction indicator" which, calculated in world market prices, far exceeds the domestic average.

As a result of the economic committee's 1981 decision, according to which we had to not only accelerate the implementation of investments that had already been started but also had to open up new fields, this year the net level dry natural gas production will reach and even for the first time exceed the "ideal limit" of 7 billion cubic meters annually. According to the experience of last year, the overfulfillment can be so great that production might exceed 7.4 billion cubic metres. This, however, will most probably be the "final peak" in the history of the Hungarian hydrocarbon extraction industry, and in the future it will be difficult to maintain this level.

Because, according to expert estimates, we have already discovered a considerable part of the potential domestic hydrocarbon reserves, and since we have gone beyond the natural maximum capacity afforded by domestic research, we have to ensure new means and methods as well as a higher level of technological research so that we can maintain the current efficiency. The petroleum program plan, in the framework of which we will purchase on credit, among other things the deep drilling installations necessary for research, serves precisely this purpose.

As a result of the great difference between the production cost and import prices, the hydrocarbon excavation industry has a considerable net imcome, but it pays a considerable part of this income as a differential producer-turnover to the state budget. Because of this, its own development resources are not enough for even the most necessary investments needed to maintain the sector's level. This means that the excavation industry's production investments can be realized only through high interest loans. The consequent debt accumulation of the trust will then exceed acceptable levels.

To Achieve a Higher Degree of Efficiency

According to the new 5-year plan, which will soon be implemented, among the production goals of the hydrocarbon extraction industry are the following: primarily, development of the domestic procedure aimed at increasing the extraction of mineral oil; its industrial application; and its development, which involves adjusting to the increasing peak performance of gas storage tanks. In accordance with this, important new operations were established last year and this year. The capacity of the Ulles field has been expanded, and the new Endrod field has been put into operation.

Because of a decrease in the pressure of previously discovered natural-gas fields, it has become necessary to install pressure-increasing compressors. At certain sites, however, minor and major problems occur during construction. It is indicative of the problems caused by foreign trade that the necessary instruments did not arrive from abroad on time; owing to the delay of several months, putting them into operation has also been necessarily delayed. But sometimes there are problems with the compressors themselves, which were purchased from capitalist sources; they break down and do not always work properly.

In spite of this, there are no particular difficulties in the manpower supply, although the annual 1 percent staff reduction required by the income-level regulations which replace the management of wage-levels is causing difficulties here and there. But since the enterprise, through its balanced wage increases so far, has reached the wage level of enterprises that are performing well, there are no particular staff problems. And this year the OKGT will be able to increase wages more than in previous years, especially for its most diligent workers -- the engineers and miners carrying out the most difficult part of reserach and production.

What We Feel

Perhaps more has now been said than is necessary about the small disturbances in production. It is worth stressing, however, that restrictions on supplying the energy needs of the population will be ordered only in the most extreme case; as long as possible, the problems will be solved by reducing industrial consumption. Since we are aware of the energy supply problems facing other countries, it is comforting that, thanks to the construction and expansion of underground storage tanks, as winter begins we have twice as much underground gas reserves as we did this time last year. With the increased reserves of coal, this means that the population's energy supplies can be regaarded as secure for this winter; and perhaps this is what we, simple laymen in our heated rooms, feel to be the most important achievement of the Hungarian hydrocarbon industry.

MSZMP CC RELEASES ECONOMIC, POLITICAL COMMUNIQUE

LD141320 Budapest MTI in English 1019 GMT 14 Nov 85

[Text] Budapest, November 13 (MTI) -- On November 12th 1985 the Central Committee of the Hungarian Socialist Workers' Party held a session chaired by General Secretary Janos Kadar. A communique on the session was issued.

The communique reports that the Central Committee reviewed topical issues related to the international situation, and the foreign policy activity of the party and state bodies. It concluded that the arms race incited by extremist imperialist circles and the military and political tension that had evolved in various parts of the world continues and is fraught with serious hazards. At the same time the peace policy of the socialist countries, the growing will for peace of the masses of people, the position of political figures of the capitalist countries who think in a responsible way, and East-West dialogue that is livening up contribute to improving the international atmosphere and alleviating tension.

The CC approved the activity conducted by the Hungarian delegation to the most recent session in Sofia of the political advisory body of the Warsaw Treaty, and stressed that as far as Hungary was concerned it will do everything in its power to implement that which was approved in the declaration. It expressed its conviction that the proposals made by the USSR and the Warsaw Treaty members are a firm foundation to alleviate tension, and to consolidate international security, and they create proper conditions for meaningful agreements, serving thereby the cause of world peace to be born at the forthcoming USSR-USA summit meeting in Geneva.

The people of Hungary also expect the Soviet-American talks in Geneva to result in an agreement that prevents the militarization of outer space, makes it possible to reduce the arsenal of strategic and intermediate-range nuclear weapons to a considerable extent, and guarantees the security of all parties concerned at a lower level of armament.

On the occasion of the 40th anniversary of the United Nations the Central Committee stressed that the United Nations and its specialized agencies were contributing to the settlement of issues concerning all mankind.

The Central Committee expressed the hope that the European cultural forum in Budapest would contribute to improving cultural cooperation and international atmosphere, and strengthening understanding and confidence between peoples.

The communique stresses that in the recent period the HSWP and the Hungarian Government have further strengthened cooperation with the fraternal socialist countries.

The Moscow talks of Janos Kadar and Mikhail Gorbachev in September were of outstanding importance, in which the parties surveyed the two countries' experiences in socialist cooperation and issues of bilateral cooperation. The Central Committee has reconfirmed the position of the political committee on the talks. It stressed the importance of the two parties' identical views on the international situation and the steps aimed at its improvement. The Central Committee expressed its conviction that the development of the friendly Hungarian-Soviet relations contributed to the two countries' advance and the strengthening of the unity of the socialist community.

The Prague meeting of Janos Kadar and Gustav Husak contributed to developing cooperation between the two neighbouring, friendly socialist countries. It was expressed that the strengthening of relations in all walks of life was a common endeavour. It was emphasized that the consistent implementation of the Leninist policy towards nationalities was serving the deepening of friendly alliance between the peoples of the two countries.

It was established with satisfaction in the Budapest talks of Janos Kadar and Erich Honecker that bilateral relations were expanded continuously, in the spirit of friendship and unity.

The programme of economic, technical and scientific cooperation until the year 2000 will accelerate the introduction of new processes and the development of industrial cooperation.

The Central Committee has emphasized that Hungary, in the spirit of peaceful coexistence, is invariably interested in maintaining dialogue and expanding relations with countries of diverging social systems. The development of reciprocally beneficial political, economic and cultural relations is an integral part of the detente process and contributes to improving the international atmosphere.

The London talks of Janos Kadar with Prime Minister Margaret Thatcher expressed the endeavour for a more peaceful world and reinforced the two parties' intention of expanding relations.

The Tokyo talks of Prime Ministers Gyorgy Lazar and Yashuhiro Nakasone provided an opportunity of gaining better knowledge about one another's position and was an important step in the development of bilateral cooperation.

The Central Committee has reinforced the solidarity of the HSWP and the Hungarian people with the struggle of peoples in African, Asian and Latin American countries for political and economic independence, and social advance. The official, friendly visit of Pal Losonczi to Angola and Zimbabwe was also a manifestation of this solidarity. The visit to Hungary of President Suharto of Indonesia served the development of inter-state relations.

The Central Committee has established that the unsettled Middle East crisis continued to make an unfavourable impact on the international situation. The Hungarian People's Republic invariably takes a stand for a comprehensive, just and negotiated settlement that complies with the just interests of all parties concerned.

The Hungarian public condemns the regime of racial discrimination and oppression, and police terror in South Africa against the majority fighting for its rights, and assures of its support the progressive and democratic forces struggling for the elimination of apartheid.

The Central Committee has established that the country developed in compliance with the main targets of the 6th Five-Year Plan even under the difficult conditions, and the stability of national economy and fundamental social-welfare achievements could be preserved. As a consequence of the slow improvement of the production pattern and efficiency, balance could mainly be achieved by keeping back domestic consumption, and the national income increased more slowly than planned.

The Central Committee, starting from the resolution of the 13th congress and assessing the possibilities of the country, set it as the priority targets of the 7th Five-Year Plan to enliven economic growth, to stabilize external [words indistinct] balance and to tangibly improve the standard and conditions of living.

Maintaining full employment, the efficiency of employment must be better enforced. It requires that companies and employees be more interested in higher outputs. Great attention must be paid to expanding the production of modern, competitive and profitable goods, turning loss-making production profitable or phasing it out. Within the domestic consumption of the national income the share of accumulation must be increased. Productive branches, mainly the processing and food industries, must be given priority in investment.

The streamlining of management and the implementation of central programmes making an essential impact on the development of national economy must contribute to the more efficient operation of economy. Product development, and the spread of advanced technologies reducing specific use of material and energy must be accelerated.

The Central Committee supports that the main targets of the 7th Five-Year Plan (1986-90) be the following:

	Planned growth rate by 1990 as compared to the level of 1985 in percentages	
	Total	Annual Average
National Income	15-17	approx. 3
Industrial Production	14-16	2.5-3
Construction, Assembly	12-15	approx. 2.5
Agricultural Production (as compared to the 1981-1985 period)	7-10	approx. 1.5
Domestic Consumption	13-16	2.5-3
Consumption of Population	8-10	1.5-1.8
Per Capita Real Income	9-11	1.7-2
Real Wage Per Wage-Earner	approx. 5	approx. 1
Total Exports	16-18	2-3.5
Total Imports	16-18	3-3.5

Investments in Socialist Sector, are 1,200,000-1,500,000 million forints.

The organizational structure and incentives for industrial companies must be further streamlined. Industrial companies must adapt to market requirements by renewing their product pattern, and pay more attention to exports. Industrial services must be improved. Small plants, auxiliary activities and private artisans must contribute to meeting demands to a greater extent.

The output of the building industry must be adapted to demand, quality and productivity must be improved and assets utilized more efficiently. The period required for construction must be reduced and the growth of construction costs restrained.

The output of agriculture, forestry and food industry must be expanded in compliance with export possibilities and domestic demand, and inputs decreased. By the end of the plan period grain production must reach 17.5 to 18 million tonnes. The development of animal husbandry must be based on the expansion of marketable and competitive products. Production on household and auxiliary plots must be promoted also in the future. Large-scale farms must cooperate with household and auxiliary plots and small producers both in production and sales, in a more organized manner.

Investment projects must first of all serve to modernize the processing industry and to improve international competitiveness, and in the non-productive branches to satisfy the most important social demands. The units under construction of the Paks nuclear power plant must beput into operation, and further extension started. The Gabcikovo-Nagymaros barrage must be constructed in accordance with the inter-state agreement.

Exports must exceed imports during the whole plan period, and its profitability be raised. Imports must mainly serve the production of competitive goods and technical progress. Cooperation with the Soviet Union and the other socialist countries remains decisive in the international economic relations of Hungary. The joint projects serve the country's long-term goals in the procurement of energy and raw materials. Hungary encourages the expansion of direct relations between companies and institutions. Reciprocally beneficial economic and commercial relations and cooperation on third markets with the advanced capitalist countries and the developing states must be further widened.

Relying upon production, living standards must be raised, living conditions improved, recognition of performance, social justice and the principle of a proportionate assumption of social burdens better enforced. Wages and salaries must have a larger share in incomes, and depend to a large extent on personal ability and the output of the company.

To increase the security of living by reducing social inequalities continues to be a task. The real value of family allowances, scholarships and the growing share of pensions must be preserved. 320 to 340 thousand flats must be build during the plan period. Although the share of state-owned flats must increase, the majority of new flats must be owned by private persons. Basic health provision must be improved. Great attention must be paid to prevention, the development of technical conditions, and a better provision of medical instruments. The network of institutes taking care of the aged must be expanded.

Then the communique discusses the need to further streamline the system of economic management, and governing work, and creating harmony between decision-making and the increasing independence of companies, and progress to the parliament to approve the plan after it has been finalized by the government. The communique calls upon the party organs, trade unions, the Patriotic People's Front, all mass organizations, party members and the citizens of Hungary to promote the implementation of the plan.

FINANCE OFFICIAL COMMENTS ON INCOME TAX CHANGES

LD111537 Budapest Domestic Service in Hungarian 1730 GMT 11 Nov 85

[Report on Deputy Finance Minister Laszlo Bekesi's comments on changes to income tax law by "Domestic Reports" program presenter Gabor Bankuti -- passages within quotation marks are recordings of Bekesi]

[Text] Attention is focused on the government decree regarding income modification. Deputy Finance Minister Laszlo Bekesi has acquainted us with the details. He first called attention to the fact that it was not the income tax system that had been changed -- in other words, no one will have to pay new taxes. Wages and salaries, for example, are not subject to taxation.

In general, earnings on which a pension contribution has to be paid are not subject to taxation; nor does the measure apply to incomes deriving from agricultural activities. Let us now listen to Laszlo Bekesi. He first of all talks of the essence and purpose of the new decree on taxes:

"The changes -- the placing of extra burdens in larger incomes and the reduction in the burdens of the lower income categories -- to some extent reorganize the distribution of the income tax burden. Providing incentives for activities that are particularly important from the social point of view is realized by way of reducing taxes and, from another aspect, by increasing tax allowances. The second aim is to replace the settlement development tax [KOEFA] with extra taxation levied on the higher income categories through the tax modifications starting 1 January. The settlement development contribution is something quite separate from this; this is an affair of the local councils and their revenue."

"The third aim of the measure is to reduce the burden on the high-level, creative, and intellectual activities within the sphere of all those activities where expansion is in society's interests."

Whose taxes will be changed and in what way as of January? Let us listen to Laszlo Bekesi. "The threshold is at an annual income of between 200,000 and 250,000 forints. In practice this means that taxation will be reduced for annual incomes under 200,000 forints; at 250,000 forints taxation will be approximately the same as that paid on the basis of existing taxation regulations; and a substantive increase will occur at an income level exceeding 300,000 forints. The taxation burden must be understood as the combined sum of the present rate of tax and the settlement development contribution paid up to now. Now to give you an example: this threshold, a clear annual income of 250,000 forints, where the tax burden remains the same, represents a tax of 89,600 forints -- that is, 36 percent of the total income. The increase occurs at incomes exceeding 300,000 forints. At this level the extra burden is not yet significant, just 1,000 forints. The increase in the tax burden amounts to 16,000 forints at 400,000 forints; at 500,000 forints it comes to 19,000; at 1 million forints it is 21,000, and at 2 million forints it is 51,000 forints.

"International and domestic experiences show that entrepreneurs are interested in expanding their activities provided they are able to realize the total value of their invested money, capital, and work at a rate of profit of approximately 30 percent, that is, as long as taxation does not take away more than 70 percent of the total income created. As of 1 January 1986, this income threshold will be a net income of 1.5 million forints per annum. The maximum tax will be raised from 65 to 75 percent; consequently, there will be an income category where the 30 percent rate of profit, which in general still provides an incentive, cannot be attained. Let me note here, just so you can appreciate the proportions involved, that only five taxpayers in the country in 1985 are paying tax on annual incomes exceeding 1 million forints.

"There are two conclusions that follow from this: First, the higher tax burdens levied on high incomes from 1986 appear in a relatively small sphere; the majority will be affected favorably. Second, scrutiny must be more rigorous within this sphere because no one believes that there are so few in this country. Approximately 6,000 people out of 1.2 million will find that their taxes have increased appreciably."

On the other hand, tax allowances will also increase from 1 January.

"This has a social policy motivation. The taxation threshold for those who have attained pensionable age and for the handicapped will be raised from the present 48,000 forints to 60,000 forints. In other words, they do not have to pay any taxes at all below 60,000 forints. Providing recognition for socially valuable activities through the taxation system will provide freedom from taxation up to 70,000 forints; this applies to patents, inventions and intellectual processes, to fees for inventions, for example; and freedom from taxation based on supply considerations will increase from the present annual 50,000 to 120,000 forints. This is something that the local councils can determine fundamentally on the basis of whether in the given settlement the expansion of an activity is justified by goods supply, service, or other considerations.

"There will be greater incentives for improved professional training. The student allowance will increase from the present 3,000 to 6,000 forints. Here is something else of interest: this will affect primarily favorably those private entrepreneurs who employ several people. These are mainly artisans in the building trade engaged in the construction of private dwellings, where the income tax paid for employees is reduced from 20 to 10 percent.

"The third large sphere where significant changes have been introduced is the taxation of those pursuing independent intellectual activities. Here the tax is based upon 10-50 percent of the income actually attained. In general, the tax burden will be reduced by 30-40 percent. We wish to give special allowances for certain activities: thus, for example, those who engage in nursing, care, and social work as a private undertaking will be exempt from tax on 40 percent of their income. Undertakings specializing on the application of new inventions, patents -- that is, not the inventors but those applying the inventions -- will be exempt from taxation as regards 25 percent of their income, as opposed to the present 15 percent."

The method of paying taxes will also change. Laszlo Bekesi now describes the change that will affect the largest number of people.

"Under an income threshold of 500,000 forints per annum, people can choose whether they wish to pay tax at a flat rate or, as before, on the basis of a declaration of income for tax purposes. The flat rate will be 10-20 percent higher in general; it is up to the taxpayer to decide whether it is worthwhile for him to pay this in order to be left alone for 3 years, so that he will not have to keep books and will be able to continue working undisturbed, paying a fixed for 3 years. Let me emphasize, the taxpayer can choose the method which he prefers."

BRIEFS

INCREASED AGRICULTURAL OUTPUT RECORDED -- Hungarian agriculture has increased its output at a slightly faster rate than planned in the Sixth 5-Year Plan and has thus created an adequate supply of goods to satisfy the population, the food-processing industry, and export requirements. This was stated by Gabor Magyar, deputy minister of food and agriculture at the session of the central executive of MEDOSZ [Agricultural and Forestry Workers' Trade Union]. Speaking of small producers, he stressed that they had created over 40 percent of animal produce and despite this year's setback, auxiliary activities had expanded at a higher than average rate in this plan period. [Text] [Budapest Domestic Service in Hungarian 1730 GMT 13 Nov 85 LD]

REAGAN PREDEPARTURE SPEECH 'POLITICAL ADVERTISING'

LD150956 Warsaw Domestic Service in Polish 0600 GMT 14 Nov 85

[Report by Maksymilian Berezowski from Washington]

[Text] Today, in the early morning hours Warsaw time, President Reagan made a television speech before tomorrow's departure for Geneva for the meeting with Mikhail Gorbachev.

In principle, the President's 18-minute speech was a collection of general declarations in which he gave his assurance of good intentions. President Reagan listed his main goals for Geneva: reduction of nuclear arsenals; human rights; increase in cultural exchanges; and the solving of local conflicts. There was not even a single sentence in his speech on the approach toward space weapons, which according to U.S. politicians would be a focal point at the Geneva summit. Reagan devoted most of his speech to praising the growing exchange between U.S. and Soviet citizens. At the same time, however, he underscored several times the deep divergences between both sides and cautioned against expecting too much from the summit.

Although the White House announced that the President's address would answer the question about what Reagan wanted to achieve in Geneva, in reality it was a form of political advertising and did not give any new insight into his intentions. But surely, that was the point.

YURCHENKO'S TREATMENT BY U.S. 'NATIONAL SHAME'

LD142251 Warsaw PAP in English 2034 GMT 14 Nov 85

["Echoes of CIA Kidnap of Soviet Diplomat: National Shame" -- PAP headline by PAP correspondent Jerzy Gorski]

[Text] Washington, Nov 14 -- THE WASHINGTON POST has published a letter from a reader, Howard E. Trivers, who said in it that the way Soviet diplomat Vitaliy Yurchenko had been treated by President Reagan's administration was a national shame.

In connection with the kidnap of the Soviet diplomat, the U.S. public opinion has learned of the use by the American intelligence services of narcotics and will-paralyzing drugs.

Officials of the Reagan administration deny everything Vitaliy Yurchenko had told a news conference at the Soviet Embassy in Washington concerning the circumstances of his abduction by CIA agents and the way he had been treated during his isolation.

But just like today the forcible abduction of the Soviet diplomat is being denied, so once were denied military operations against sovereign countries, or any CIA involvement in conspiracies aiming to kill heads of many states and murder politicians friendly to the U.S., but a nuisance at a given moment.

All those affairs has been denied until they finally got into Congress, along with evidence that the flat denials were false.

WARSAW COMMITTEE PLENUM HELD; 1ST SECRETARY NAMED

LD141903 Warsaw Television Service in Polish 1620 GMT 14 Nov 85

[Text] A plenary meeting of the Warsaw Party Committee was held, attended by First Secretary of the Central Committee Wojciech Jaruzelski. In connection with the appointment of Marian Wozniak to the post of Central Committee secretary, the plenum of the Warsaw Committee released him from the post of Warsaw Party Committee first secretary. The plenum gave that post to Janusz Kubasiewicz, head of the sociolegal department of the PZPR Central Committee.

COUNCIL OF STATE APPOINTS CHAIRMEN TO COMMISSIONS

LD142059 Warsaw Television Service in Polish 1830 GMT 14 Nov 85

[Text] The first session of the Council of State in this term of office was held in the Belweder Palace. It has been stressed that the legislative activity of the Sejm of the eighth term provided the legal basis for broad participation of citizens in directing social and economic life by way of the system of representative organs of authority, and self-management.

It is particularly important to stimulate creative and active attitude among young people. It has been considered necessary to prepare cooperation with the Patriotic Movement for National Rebirth [PRON] in this sphere. The interest of the state and citizens requires that the Council of State focus attention on strengthening law and order, viewing respect for the law as equal for all, and also on upgrading the level of legal culture.

It has been decided that the Council of State will develop direct contacts with the community by way of council members' participation in meetings of peoples' councils of all levels, and also by developing information about its entire activity.

The Council of State has set up permanent commissions, which will be chaired by the following:

Kazimierz Barcikowski: Commission for People's Councils and Territorial Self-Management;
Wladyslaw Jonkisz: Commission for State Decorations;
Sylwester Zawadzki: Commission for Control Organs and Social and Vocational Affairs;
Kazimierz Secomski: Legal Commission;
Zenon Komender: Commission for Ratification;
Tadeusz Szelachowski: Commission for Scientific Cadres;
Zenon Komender: Commission for Letters, Complaints, and Suggestions;
Tadeusz Witold Mlynczak: Commission for Citizenship Affairs;
Elzbieta Gacek: Commission for Clemency.

NEWLY ELECTED COUNCIL OF MINISTERS HOLDS SESSION

LD151208 Warsaw PAP in English 1125 GMT 15 Nov 85

[Text] Warsaw, Nov 15 -- The Council of Ministers, newly elected by the Sejm, is holding its first session today.

The agenda includes the guidelines of the government's work in the coming years, and examination of the resolution on the 1986 central annual, drafts of the state budget, the central fund for the development of culture, the balance of payments, and the 1986 credit plan.

WOZNIAK ON DRAFT LAW ON REORGANIZATION

LD121805 Warsaw Domestic Service in Polish 1427 GMT 12 Nov 85

[Report by Marian Wozniak, PZPR Central Committee secretary and Politburo member, concerning the Extraordinary Commission on Government Draft Law for Changing State Administrative Organization and Activities; delivered at the 12 November Sejm session in Warsaw -- live]

[Text] Comrade Speaker! Comrade Deputies! On behalf of the Extraordinary Commission, which was appointed at the first Sejm session on 6 November this year to examine the draft law on changes in the supreme and central state administrative organs, I present to the house the report on the commission's work together with its conclusions.

The draft law proposed by the government concerns one of the key issues connected with the administration of the state: the structure and range of the powers of state organs and their organization. These matters are of fundamental importance for the administration's fulfillment of its responsibilities toward society, especially its services in areas which are vital to society. The changes proposed by the government are part of a whole process of modifications in the structure of central administration. Their aim is to perfect the functioning of state administration and to consolidate the economic reform.

This process was begun by the resolutions of the 9th PZPR Congress, by the policies of the ZSL and the SD which cooperate with it, and by the Sejm resolutions.

Of the series of modifications to the central administration structure, some of the plans have been implemented. They are: reducing ministries dealing with specific sectors and branches [of the economy], transforming the Planning Commission into a legislative organ of the government, defining ministries' tasks in initiating economic reform, and establishing certain offices for separate areas in economic and social life.

The process of reform does not proceed uniformly and has its limitations; however, the most important thing is that it should proceed consistently in all the state structures and that it should be favorably received by society. The dynamism of the process of reforms is also influenced by the Patriotic Movement for National Rebirth [PRON], undertaking a series of important initiatives and, at the same time, providing a platform for the widest ranging influence on the society-authorities line and vice versa.

The expectations of society, linked to the policy of reform and accord, have found a particular response in the Sejm's ninth-term electoral campaign. That is why the process of perfecting our state's functioning must be regarded by us all -- especially by deputies in the ninth term --as not just a professional responsibility, but as a great social and moral responsibility.

The proposed bill is a constituent part of the process of further improving things; it is not an entity that exists by and for itself. That is why it should be viewed within the context of long-term goals which the Sejm should guarantee. At the same time, it is an important document, setting out the government's aims and intentions. It has been proposed on the eve of the Sejm's new term of office and, for both these reasons, it has met with approval by our deputies.

During two sessions, the commission familiarized itself with the bill and discussed both its detailed provisions and its expected results.

The discussion has shown the complexity of the processes under the supervision of the state, central and local bodies, as well as the possible impediments along the path of the implementation of the goals that have been set. These impediments can arise, in equal measure, from organizational imperfections and imperfections of the system, and also from cadre weaknesses and shortages.

That is why the commission wishes to draw the esteemed Chamber's attention to issues that, during the course of implementation, should be of particular concern to the Sejm, falling under its control, and, at the same time, should attract appropriate government action.

The first group of issues center around establishing the office of minister of construction, spatial, and communal economy [minister budownictwa; gospodarki przestrzennej i komunalnej]. It is the draft's intention to remove the bureaucratic red tape that occurs in practice, making it more difficult to pursue a joint housing and construction policy. The commission shares this point of view. However, the commission draws attention to the fact that the possible positive results of the intended organizational measures will, in this and other similar cases, depend on the manner in which these measures are implemented as well as the active and interested approach by, and motivation of the cadres.

Therefore, the government should really focus its attention on this issue during the process of implementing these changes, so that these ambitious intentions do not become discredited in practice. At the same time, it should be emphasized that the issue of renovating apartments and municipal buildings is an ever more acute problem as far a s public feelings are concerned. This holds true not just for large conurbations. The correct and harmonious implementation of the renovations and investments policy does, nevertheless, encounter serious practical limitations. Numerous limitations of this kind are connected with bureaucratic red tape. This is why the commission voices its conviction that new proposals will create better conditions for this work which is of such great social and economic importance.

The new ministry will also be in charge of town and country planning. The importance of town and country planning is growing more and more in view of public expectations of improvements in the standard of living in towns and the countryside alike, and also in view of the potentially serious threat to the environment in some parts of the country.

The planned ministry will have the task of working out and coordinating local plans, including voivodship level plans for the development of town and country planning which, so far, has been handled by the minister of administration and local economy. [minister administracyi igospodarki przestrzennej]. That is why the commission stresses the absolute necessity of close cooperation between the new ministry and the Planning Commission at the Council of Ministers, which is working on macroregional plans in order to achieve a cohesive system in planning town and country development.

In its concern for the interest of inhabitants, mainly those of large agglomerations, the commission brings to the special attention of the chairman of the Council of Ministers the matter of passing urban transport to the minister of transportation so that urban transport does not suffer any harm through rivalry with traditionally strong carriers -- that is, the PKP [state railroad enterprise] and the PKS [state motor transport].

I would like to inform you here that the commission received suggestions relating to, among other things, town, country, and regional planning; the supervision of building construction; land surverys; and map drawing. These matters were seized upon by deputies outside the commission, by the society of Polish town-planners, by the association of Polish architects, and the association of Polish surveyors.

Because these proposals go beyond the draft law, the commission will pass them on to the chairman of the Council of Ministers for consideration with the work to further perfect the administration.

May it please the House: The creation of the office of the minister of agriculture, forestry, and food economy [minister rolnictwa, lesnictwa i gospodarki zywnosciowej] has won the support of the commission, especially the linking of matters relating to agricultural production with the utilization of soil and its protection, and the handing over of secondary processing of raw timber to be managed by industry. It is necessary to stress the ensuring of good functioning and retention of the internal structure of the state forestry economy, as well as its consolidation.

Moreover, citizen deputies drew attention to the fact that, for the farmers and the countryside, the activity of geodesic services of agriculture is particularly significant, as is the ensuring of good land registration. These matters need to be coordinated in practice by the government due to the functioning of geodesic services within two ministries.

The broadening of the powers of the minister for environmental protection to include natural resources -- that is, gathering within the one ministry: water economy, the protection of the environment and nature, zoological work, and the protection of mine deposits -- has been approvingly accepted by the commission.

It is worth remembering the positive social feelings that accompanied the establishment of an independent office for matters related to the protection of the environment. This line of action seems logical. However, ever more stridently, a social call is heard for a greater efficacity in the protection of man's environment. This calls for very weighty actions on the part of the economist, for this is, after all, linked to financial limitations as well as a change in people's attitude.

What we have in mind here is an honest attitude on the part of those who are employed in areas which are considerably harmful to the environment and also an active search for more effective technological and organizational solutions. After all, we do have considerable achievements in this area in Poland. It is necessary to implement them consistently. However, the way people behave in their daily life at home, in areas set aside for leisure and rest, must also undergo change. After all, norms and bans will not in themselves suffice, although we do very much need the prestige and authority of this ministry.

The office of the minister of materials management [minister gospodarki materialowej], expanded to include the task of managing fuel and power resources, is deemed to be beneficial to the struggle for a rational management of raw materials and energy resources, emphasis being placed here on a wider use of economic mechanisms and curtailment of rationing. It will also be the ministry's task to counteract the depreciation of fixed assets and to look into the conditions in which fixed assets are used in the national economy.

The combining of the offices of physical culture and sport with that of tourism reminds us of the fact that not infrequently clumsy organizational decisions are made, decisions that, at a later stage, have to be undone. Without negating the possibility of the solution that is now being proposed, it is expected that active work will be done in both fields; in particular, physical culture and leisure activities will be linked with tourism to offer the inhabitants who are ever more tired out by modern civilization and who require rest, opportunities to restore their strength.

The proposal to integrate financial policy with pricing policy gave rise to a discussion. Directing prices toward and tying prices to a solid calculation of costs and their justified extent, must be connected with financial control and good professional knowledge of individual areas of the economy. Hence, the proposed solution seems to be a correct one, corresponding to the spirit of the economic reform. Some members of the public do, however, equate the Ministry of Finances with activities that predominantly take place in the fiscal sphere. That is why the commission regards the government's announcement that the combined financial and prices policy will be improved further as a pledge which justifies the adoption of the proposal referred to above.

In the opinion of the commission, the possibilities for cooperation between the social movement for consumer protectionism and those agents of the ministry which will influence pricing policy, should also be made use of.

An important decision of the law is the overview of the whole range of issues relating to state, central, and regional administration, together with control and supervision, resting with one office. The commission has proposed a slightly different systemization of the tasks of the office of the Council of Ministers, with slight additions, and concurs with the substantive proposals of the government. The abolition of certain ministries and central offices, including a significant number of executive posts, has allowed the pronouncement of a positive opinion on establishing the post of secretary of state, which may be a formula facilitating the initiation of the law's solutions.

May it please the House! The Extraordinary Commission, examining the draft proposal of administrative changes and voting for its approval, and, as a consequence, the abolition of three ministries and two central offices, wishes to draw attention to important aspects which are common to the whole range of proposed changes. In particular, the commission wishes to underline the great interest of society in the administrative activities and the methods of the work of both central and regional offices. There is a great deal of sensitivity to bureaucracy, examples of which are still, unfortunately, frequent. That is why solutions aimed at broadening system operations and perfecting the selection and schooling of cadres, will be socially approved. It can also be expected that the proposed changes will consolidate economic reforms, which is very important due to the sensitivity and fears connected with their possible set-backs [zahamowania].

Receiving with satisfaction the declaration of the government's intention, expressed in the preamble and justification of the law, the commission sees the possibility of achieving further progress in the methods of governing the state. It must be stressed, and this was reflected in the discussions, that the implementation of even the best of laws will not progress will without a professional and committee cadre.

The commission considers the social approval of an official's standing to be extremely important, but also feels the fact should be recognized that he is a servant of society. The better offices fulfill this role, the higher their prestige will rise. At the same time, I wish to stress the deputies' great concern, expressed during the work by the commission, that the intentions declared by the government to strengthen regional administration, and the means saved, should be reflected in practice as swiftly as possible. In particular, the strengthening of basic-level administration -- working in the closest possible way with, and for society -- which will realize the social expectations expressed during the Sejm electoral campaign for the ninth term of office.

May it please the House! On behalf of the Extraordinary Commission, appointed by the decision of the citizen deputies on 6 November, I table a motion to adopt the law.

After hearing reports presented to the House, we are certain this law will help the government make administration more efficient, and will be a stage on the road to the further, but definitely not easy, perfecting the system of state functioning.

WALESA AGAIN SUMMONED TO APPEAR BEFORE COURT

AU141823 Paris AFP in English 1818 GMT 14 Nov 85

[Text] Warsaw, Nov 14 (AFP) -- Lech Walesa, leader of the banned Solidarity union, today received another summons to appear before the Gdansk Public Prosecutor's Office looking into his reported statements to the Western press over recent legislative elections, a source close to his family said today in Gdansk. Mr. Walesa, who is on sick leave until Tuesday, was informed by letter that only a medical certificate signed by a police doctor could excuse him from attending the meeting fixed for next Thursday. He was initially called to appear on November 6, but refused.

After an incident between police who came to his home to take him to the prosecutor's office, Mr. Walesa had lodged a complaint with Poland's prosecutor general.

Mr. Walesa is accused of giving "false reports" to the Western press on the results of the legislative elections, which Solidarity wanted boycotted. According to the government, 78.86 per cent of voters went to the polls, but Solidarity put the figure at 66 per cent.

SOVIET COMMUNICATIONS' DELEGATION VISITS

Interview With Majewski

LD141141 Warsaw Domestic Service in Polish 1105 GMT 13 Nov 85

[Excerpts] A Soviet Ministry of Communications' delegation led by Minister Vasiliy Aleksandrovich Shamshin, is visiting Poland. Wanda Pawlowicz talks to Minister of Communications Professor Wladyslaw Majewski on the purpose of the visit.

[Begin recording] [Pawlowicz] This is an opportunity to forge more friendly links and also to outline plans for the immediate period. Please tell me: What are we particularly interested in? What forms of cooperation?

[Majewski] Our cooperation is broad. It is difficult to stress any one sphere of cooperation more than others. I believe it is important in its entirety. I would like to note that our development plans for the (?next) 5-year period are considerable. This ambitious plan is difficult to execute. I believe that forging closer cooperation between Polish and Soviet communications workers will promote a better implementation of our tasks. [end recording]

The guests are in Gdansk today, where they are to visit the electronic telephone exchange and the posts and telecommunications museum and will lay a wreath at the monument to the defenders of the Polish post office.

Messner, Minister Shamshin Meet

LD142118 Warsaw PAP in English 2024 GMT 14 Nov 85

[Text] Warsaw, Nov 14 -- Polish Prime Minister Zbigniew Messner received here today Soviet Minister of Communications Vasiliy Shamshin, now on an official visit to Poland.

The talks focused on current cooperation of both countries in the field of communications in the context of a new intergovernmental agreement concerning this sphere signed on November 14.

MINING OFFICIAL INTERVIEWED ON MINE CONSTRUCTION

LD142345 Warsaw Domestic Service in Polish 1105 GMT 13 Nov 85

[Unidentified reporter's interview in Katowice with Kazimierz Jezierski, newly elected chairman of the Sejm Mining and Power Commission -- live]

[Text] [Reporter] At the first meeting of the Sejm Mining and Power Commission, Kazimierz Jezierski was elected chairman. What are the most important tasks for the Commission?

[Jezierski] Investment is giving cause for disquiet. We are aware that in the past term of office, not new mining investment project was begun.

[Reporter] The Kaczyce coal mine, which will be commissioned next year on Miners' Day, is in fact the last mine to be constructed. All the rest have been halted.

[Jezierski] As I said, we will have to pay particular attention to investment, because it will not be possible to strike a balance, particularly in hard coal. That will be at the end of the eighties, not far off. I would remind you that coal mines take a very long time to build, to reach full production capacity.

[Reporter] So a decision has to be made before the end of the year?

[Jezierski] I think in the commission's plans for the immediate future, we will be trying to implement all the recommendations recently put forward.

[Reporter] It's not an easy task for you and the deputies who are members of the mining commission.

[Jezierski] I realize that, but I don't think I'm on my own; I think that my deputy collegues will give me strong support and my efforts will not be isolated.

[Reporter] And what of public understanding?

[Jezerski] The minig results must get public understanding.

GNA ISSUES APPEAL TO REAGAN, GORBACHEV

AU151127 Bucharest Domestic Service in Romanian 0900 GMT 15 Nov 85

[Text] The proceedings of the second session of the Ninth Legislature of the Grand National Assembly [GNA] opened an hour ago. The arrival at the Parliament Hall of Comrade Nicolae Ceausescu, Comrade Elena Ceausescu and of other comrades of the party and state leadership was welcomed with lively and prolonged applause.

The agenda of the new session was adotped. It included:

1-- the oath of loyalty and allegiance toward the SR of Romania by certain deputies of the GNA;
2-- draft bill on the national socioeconomic development plan of the SR of Romania for 1986;
3-- draft bill on the national agriculture and food industry development plan of the SR of Romania for 1986;
4-- draft bill on the state budget of the SR of Romania for 1986;
5-- draft bill on economic and financial self-management and self-administration, and on the self-financing of administrative-territorial units;
6-- draft bill on increasing labor productivity and perfecting the organization and norm-setting of the production process and of labor;
7-- program on self-management and self-sufficiency to ensure proper supplies for the population of agricultural produce, foodstuffs, and industrial consumer goods over the 1 October 1985-30 September 1986 period;
8-- modification to the composition of the GNA Bureau; and
9-- draft bills on the approval of decrees comprising norms with the power of law issued by the State Council.

In connection with the first point on the agenda, the oath of loyalty and allegiance toward the SR of Romania was taken by certain deputies who were not present at the proceedings of the first session of the GNA.

Comrade Nicolae Giosan, GNA chairman, then stressed that deeply impressed with the extensive speech made by the RCP secretary general and president of Romania, Comrade Nicolae Ceausescu, at the recent plenum of the RCP Central Committee and in light of hig great ideas and initiatives placed in the service of peace, understanding, and the happiness of peoples, a great number of deputies and members of the Commission for Foreign Policy and International Economic Cooperation, of other commissions of the GNA, of the Romanian group within the Interparliamentary Union, and the group of Romanian parliamentarians for security and cooperation in Europe representing all counties throughout the country and concerned with the grave situation that has emerged on the European Continent and througout the world in the wake of an intensified arms race, especially the nuclear arms race, have decided during their morning meeting to propose to the country's high legislative forum that it adopt an appeal to the general secretary of the CPSU Central Committee, Mikhail Gorbachev, and to the U.S. President, Ronald Reagan.

The text of the appeal of the ONA of the SR of Romania was then read.

The document stresses that expressing the desire and aspirations for peace of the Romanian people, now, on the eve of the Soviet-U.S. summit in Geneva, the GNA of the SR of Romania appeals to the general secretary of the CPSU Central Committee, Mikhail Gorbachev, and to the U.S. President, Ronald Reagan, to do all they can so that the Geneva meeting will yield appropriate accords that will be in keeping with the interests and expectations of peoples and with the policy of peace, disarmaments, and international cooperation.

Proceeding from the particular responsibility of the Soviet Union and the United States -- as great nuclear powers -- toward their own peoples and toward the whole of mankind, the document states: The GNA expresses the hope that they will act with the greatest of responsibility to reach, within the Geneva meeting, a mutually acceptable accord that will lead to the reduction of nuclear weapons on both sides, to halting the deployment of intermediate-range nuclear missiles in Europe and the withdrawal of those in place, to halting the militarization of outer space, and to the resumption of the policy of trust, detente, and peaceful cooperation.

The document stresses that, on behalf of the Romanian people, the GNA addresses a solemn appeal to the leaders of the Soviet Union and the United States to do all they can so that the Geneva meeting will conclude with positive results that will lend a new trend to international developments and will be in keeping with the fervent desires and aspirations of peoples to free themselves from the nightmare of a devastating nuclear war, and to proceed to halting nuclear weapons tests, tests of other mass destruction weapons, and to the general reduction of weapons and military expenditures in order to ensure the people's supreme right to life, freedom, and peace.

In the spirit of this appeal and being convinced that all necessary efforts and actions will be taken in conditions of mutual understanding and trust, the GNA wishes complete success for the Geneva meeting.

The GNA unanimously adopted the test of this appeal.

Since some of the draft bills are being examined within the specialized commissions of the GNA and since the program under point 6 on the agenda will be submitted for public discussion, the supreme legislative forum agreed to proceed to examining the draft bill on economic and financial self-management and self-administration, and on the self-financing of administrative-territorial units.

The report on this bill was presented by Comrade Ludovic Fazekas. The report of the permanent commissions of the GNA which have examined and endorsed this draft law was presented by Comrade Ioachim Moga.

We will report on the progress of the GNA proceedings in later newscasts.

CEAUSESCU, USSR ENVOY MEET 'AT LATTER'S REQUEST'

AU121625 Bucharest Domestic Service in Romanian 1600 GMT 12 Nov 85

[Text] Comrade Nicolae Ceausescu, RCP secretary general and president of the SR of Romania, today received Yevgeniy Tyazhelnikov, ambassador of the Soviet Union in Bucharest, at the latter's request.

On this occasion, a talk took place in a warm and comradely atmosphere.

CEAUSESCU RECEIVES WEST BERLIN PARTY OFFICIALS

AU142100 Bucharest AGERPRES in English 2009 GMT 14 Nov 85

[Text] Bucharest, AGERPRES 14/11/1985 -- On November 14, Nicolae Ceausescu, general secretary of the RCP, president of Romania, received the delegation of the Socialist Unity Party of West Berlin, led by Margot Granowski, member of the Political Bureau and of the Secretariat of the CC of the Socialist Unity Party.

The interview, which passed in a cordial atmosphere, occasioned an exchange of cordial salutes between Nicolae Ceausescu and Horst Schmitt, president of the Socialist Unity Party of West Berlin.

The links of friendship, collaboration and solidarity between the two parties were highlighted and the wish was emphasized to further develop those ties. Concern was expressed over the tension in the international life and over the danger posed to world peace by the escalation of the arms race, of the nuclear arms race in the first place. The fact was underscored that the European peoples, the progressive forces everywhere must assume a greater responsibility and work in all firmness for a change in the current situation on the continent, for saving Europe and the whole world from nuclear destruction, for safeguarding the peace and freedom of all nations.

The need was highlighted for strengthening the collaboration between the two parties and socialist, progressive and antiimperialist forces in the fight for peace, national independence and social progress.

The interview was attended by Petru Enache, alternate member of the Executive Political Committee, secretary of the CC of the RCP.

MANESCU VISITS BONN, ATTENDS COOPERATION MEETING

Addresses Meeting

AU121228 Bucharest AGERPRES in English 1050 GMT 12 Nov 85

[Text] Bonn, AGERPRES 12/11/1985 -- Taking the floor at the meeting of the Executive Committee of the Inter-action Council for International Cooperation, Manea Manescu, vice-president of the State Council of Romania, set forth Romania's and President Nicolae Ceausescu's position and initiatives regarding disarmament, nuclear first of all, reduction of military spending, exclusively peaceful settlement of interestate conflicts, eradication of underdevelopment and establishment of a broad international economic and technicoscientific cooperation. The expose stirred great interest among the particpatns.

Meets With Chancellor Kohl

AU120919 Bucharest AGERPRES in English 0738 GMT 12 Nov 85

[Text] Bonn, AGERPRES 12/11/1985 -- From President Nicolae Ceausescu of Romania, a cordial salute, wishes of progress and prosperity were convyed to Helmut Kohl, federal chancellor of the Federal Republic of Germany.

Chancellor Helmut Kohl thanked for the message and asked that President Nicolae Ceausescu be conveyed a warm salute and best wishes of good health and personal happiness.

The exchange of messages took place when the West German chancellor received Manescu, vice-president of the State Council, who attended the meeting of the Executive Committee of the Inter-action Council for International Cooperation.

Chancellor Helmut Kohl was highly appreciative of President Nicolae Ceausescu's steady concerns, initiatives and actions devoted to the development and deepening of the relations of friendship and collaboration between Romania and West Germany, to international peace and collaboration.

During the talk the evolution of bilateral relations, of economic ones in particular, was assessed in the positive and emphasis was placed on the possibilities to further develop trade exchanges, cooperation in production, technicoscientific and cultural collaboration.

Current international problems were also approached.

NICU CEAUSESCU ATTENDS UN YOUTH CONFERENCE

AU132005 Bucharest AGERPRES in English 1940 GMT 13 Nov 85

[Text] The United Nations, AGERPRES 13/11/1985 -- Nicu Ceausescu first secretary of the CC of the UCY [Union of Communist Youth], minister for youth affairs, now in New York for the United Nations World Conference for the International Youth Year [IYY], had an interview on November 13 with UN Secretary-General Javier Perez de Cuellar.

During the interview, the UN secretary-general conveyed Romania's President Nicolae Ceausescu a warm salute and expressed words of high appreciation for the interest shown and contribution made by Romania and the Romanian head of state to the strengthening of the UN role in the resolution of the major problems of the international life. He congratulated Romnia on its initiative concerning the International Youth Year under UN aegis, on the way in which it worked for that UN action to turn into a prestigious event with strong reverberation in the world.

The need for [?highlighted] to capitalize the major interest shown by managerial bodies, by the public opinion and international bodies in youth affairs -- generated by the IYY -- so that interestate collaboration in the field of youth may intensify and the continuity be ensured of the concerns for the attainment of IYY targets.

During the talks, various aspects related to the proper course and positive conclusion of the UN World Conference for the IYY and interstate questions in the focus of the 40th UN General Assembly session were also approached.

SZASZ-LED DELEGATION CONDUCTS TALKS IN ZAIRE

AU121553 Bucharest AGERPRES in English 1444 GMT 12 Nov 85

[Text] Kinshasa AGERPRES 12/11/1985 -- Mpinga Kasenda, first deputy chairman of the Political Bureau of the CC of the Mouvement Populaire de la Revolution of Zaire, received a Romanian parliamentary delegation led by Iosif Szasz, alternate member of the Executive Political Committee of the CC of the RCP, deputy chairman of the Grand National Assembly (Romanian parliament), who are paying an official friendship visit to that country. On the occasion, from Nicolae Ceausescu, general secretary of the RCP, president of Romania, and Mme Elena Ceausescu, a warm message of salute was conveyed to the president of the Republic of Zaire, Sese Seko Mobuto, and Mme Mobutu, as well as wishes of peace, progress and progress and prosperity to the friendly Zairian people.

In the name of the president of the Republic of Zaire, thanks were expressed for the message and President Nicolae Ceausescu and Mme Elena Ceausescu were conveyed warm and friendly wishes of good health and heappiness, as well as wishes of welfare and progress to the friendly Romanian people.

High appreciation was shown for President Nicolae Ceausescu's remarkable role in the continuing deepening of the relations of friendship and collaboration between the two countries, parties, and peoples. The significance of the understandings and accords reached at summit meetings in Bucharest and Kinshasa was assessed and the Zairian authorities' resolve was evinced to work in close collaboration with the Romanian side to carry into effect these accords.

Stress was laid on the special consideration won in Africa and other continents, by Romania's active and constructive foreign policy, by President Nicolae Ceausescu's initiatives concerning the cessation of the arms race and a passage to disarmament, the eradication of underdevelopment, peaceful settlement of conflicts, actions in support of the African peoples' just struggle for the complete liquidation of colonialism, neocolonialism, racial discrimination policies and for their free development on the road to socio-economic progress.

SZASZ VISITS ZAMBIA, MEETS PRESIDENT KAUNDA

AU131904 Bucharest AGERPRES in English 1833 GMT 13 Nov 85

[Text] Lusaka AGERPRES 13/11/1985 -- A Romanian parliamentary delegation led by Iosif Szasz, alternate member of the Executive Political Committee of the CC of the RCP, Grand National Assembly deputy chairman, who pay an official visit of friendship to Zambia, were received by President Kenneth D. Kaunda.

On the occasion, the president of the United National Independence Party, president of the Republic of Zambia, Kenneth David Kaunda, and Mme Betty Kaunda, were conveyed a warm message of salute on behalf of the general secretary of the Romanian Communist Party, president of Romania, Nicolae Ceausescu, and Mme Elena Ceausecu, as well as wishes of peace, progress and prosperity for the friendly Zambian people.

Expressing deep gratitude for the message conveyed, President Kenneth David Kaunda asked that President Nicolae Ceausescu and Mme Elena Ceausescu be conveyed a warm and friendly salute on his behalf and on behalf of Mme Betty Kaunda, and the Romanian people wishes of further successes on the path of progress and multilateral development.

Recalling his interviews with the Romanian president, the Zambian head of state highlighted the Romanian leader's outstanding contribution to the expansion of the two countries' relations and highly assessed the understandings and agreements covenanted during the summit meetings in Bucharest and Lusaka.

President Kenneth David Kaunda was highly appreciative of Romania's active and constructive foreign policy and President Nicolae Ceausescu's initiatives aimed at removing the threat of another war, bridging the huge gap between rich and poor countries, solving all conflicts by way of negotiations, eliminating the last vestiges of colonialism, of the neocolonialist policy of apartheid and racial discrimination. In that context, stress was laid on the consistent position of firm support Romania grants to the African peoples' just fight for their free development on the road of economic and social progress.

TANJUG REPORTS REAGAN PRESUMMIT SPEECH

LD151313 Belgrade TANJUG Domestic Service in Serbo-Croatian 0952 GMT 15 Nov 85

[Text] Washington -- Speaking to the nation on television from the White House last night, U.S. President Ronald Reagan, who is leaving for the Geneva summit with Soviet leader Gorbachev, said that he believed that this meeting "could be a historical opportunity to establish stable foundations for building a more constructive path leading to the 21st century."

Stressing that tomorrow he "will start a mission of peace," Reagan, for whom this will be the first meeting with one of the Soviet leaders, said that he hoped to "open such a dialogue of peace with the new Soviet leader" that would last longer than his term of office in the Washington House. "The important thing is," he specified, "that when I sit down opposite Gorbachev, the two of us should together try to pave the way for peace-loving talks, even despite the fact that some of our fundamental disagreements will not be overcome."

On this occasion the U.S. President also tried to create the impression of a man who does not see Geneva as a "turning point" in relations between the two superpowers, but primarily as a beginning step toward opening wider processes which would, through a stable dialogue, lead overcoming tensions that could otherwise lead to war.

"I hope," Reagan said, "that in Geneva the two of us could start a process that would be continued by our successors and our peoples, a process in which we would openly discuss our differences and attempt to narrow them and solve them, while at the same time maintaining mutual communication that would prevent misunderstandings."

Besides all these big and optimistic words, which is nothing new, Reagan also tried to bring the expectations concerning the forthcoming summit down to earth, making it clear that despite all the significance that Washington attaches to Geneva, it does not expect too much, particularly concrete results. Secretary of State Shultz also spoke about it yesterday, saying that Geneva would give a new stimulus to the processes of disarmament, but that it should not be expected to produce some specific agreement in this respect. "Such an agreement," he said, "is possible, but not probable."

"The success of the forthcoming summit," Reagan stressed, "should not be measured by offering a possibility for signing some kind of short-term agreement. Only the passing of time will show us whether we have been building lasting bridges for a more secure world. That is why I am going to Geneva, in order to establish foundations for a more lasting peace."

Reagan reiterated his already well-known attitude that the agenda in Geneva would be "very broad;" that is, they will not just discuss disarmament, which is the center of attention of the world public. He stressed that Washington also wanted to talk with the Soviets about conflicts in the world, human rights, and about some unsolved questions in the area of bilateral relations. Obviously bearing in mind the extent of expectations from Geneva with respect to disarmament, Reagan said that "high priority" should be given to halting of arms race.

"We are going to Geneva," he said, "with a bitter knowledge that atomic weapons represent the greatest threat to the survival of the human race in history. We must halt this race. I have no greater priority than to limit, and then eliminate, this race in nuclear arms."

"I am going to Geneva," the American President went on, "with no illusions, though with the hope that we can make progress there with respect to all questions on the agenda."

DEATH OF CROATIAN SR PRESIDENT CAR ANNOUNCED

LD151043 Belgrade TANJUG Domestic Service in Serbo-Croatian 0916 GMT 15 Nov 85

[Excerpt] Zagreb, 15 Nov (TANJUG) -- Pero Car, people's hero, one of the organizers of the insurrection in Croatia and president of the Socialist Republic of Croatia Presidency, died in the Zagreb Military Hospital this morning.

CONGRESS RESOLUTIONS REQUIRE CAREFUL DRAFTING

LD150022 Belgrade TANJUG Domestic Service in Serbo-Croatian 1435 GMT 14 Nov 85

[Text] Belgrade, 14 Nov (TANJUG) -- The resolutions for the 13th LCY Congress should define in a clear and concrete way the main directions of the LC's action, so that even in the course of the work to draw them up considerable efforts could be made to change social consciousness and the situation in some areas of social life. This is necessary if we are to go to the congress not only with clearly formulated tasks but with concrete results as well. The initial draft versions of the resolutions for the 13th LCY Congress satisfy these demands. This was stated at today's session of the committee for the preparation of the 13th LCY Congress.

Given the fact that the work on drawing up different resolutions did not proceed at the same pace (some are still just in the form of an idea while the others are already in their draft form), it was not possible to use today's discussion to analyze the concrete phrasing of individual versions. The objective of the session was to help the commission for the Drawing Up of the Resolutions in its work at formulating the final texts of these documents.

Milan Kucan, chairman of the Commission for the Drawing Up of the Resolutions, informed members of the committee about the work of the commission and its working groups. The basic feature of our approach to all the resolutions is our determination to demonstrate that the LCY has a clearly defined strategy for the country's further socioeconomic and political development, from which it will never deviate nor will allow others to do so. Our task also is to prepare documents which, by dealing with relevant problems, will direct the LC's activity toward those key issues of our socioeconomic, political, and party life where contradictions are the greatest and where there is a danger of the revolution's tempo being slowed down. In my view, Kucan said, we have succeeded in this to a considerable extent.

This is of great importance in view of our desire to gain our working people's and citizens' full support, not by words only, but by concrete action aimed at changing their living and working conditions. We must not allow what happened to the long-term program of economic stabilization to happen to us. I refer here to full verbal support without any specific action at implementing its principles.

Therefore, Kucan continued, in the congress resolutions we must state in clear terms how we are going to approach the implementation of our strategic goals. Our broadest masses still have confidence in these goals, but because of the subjective forces', in other words, the social and political organizations' inadequate and insufficient action, the impression has sometimes been created that we do not know how to attain them.

These historic goals of ours do not concern our distant future alone; they are of relevance for our present-day situation as well. The working people must be given the chance, Kucan said, to see the purpose of their efforts and sacrifices. All this calls for a different form of ideo-political work within the LC and for the capable and creative cadres' increased efforts. This was also the general belief which came to the fore during the all-party debate, and we must ensure that in the course of the preparations for the congress and afterward it is always taken into consideration.

I think, Kucan stressed, that recent LCY Central Committee sessions, at which we examined very important socioeconomic and political issues, contributed to efforts to create conditions for a different kind of work. However, real action is still often substituted by fruitless and unnecessary debates on the validity of adopted conclusions.

In a discussion which lasted several hours, members supported the basic approach to the concept and content of proposed resolutions, while insisting that they be shorter, more effective, and written in understandable language. It is unnecessary always to repeat assessments and causes which have led us to the present state of affairs, especially since everything must be contained in a report on the work of the LCY and the LCY Central Committee between the two congresses. For this very reason members of the committee insisted on the fact that the report be prepared as soon as possible.

It is true that resolutions must be written in a different way, which is more in keeping with the present tasks. But, Vidoje Zarkovic warned, we will not be able objectively to avoid some repetition. For instance, the resolution on the socioeconomic and political development of the country will have to throw light on the causes of growing etatism and weakened self-management, and to find out why the orientations of the 12th Congress went in the wrong direction. In the same way we must establish reasons behind deformed self-management, formalities in the process of decisionmaking, the strengthening of group-ownership relations, and so forth. We must also discover, Zarkovic pointed out, why the program of economic stabilization had such a fate -- it is not being implemented, or else the process of implementation is very difficult. Congress resolutions will also have to explain the causes of disintegration, the phenomena of autarchy and isolationism, and the strengthening of partial interests at the expense of the joint ones. If we fail to throw light on these and other phenomena, we will not be able to establish clearly-defined and concrete tasks for the LC in order to overcome them. Of course, he added, all this should be carried out in an extremely rational and effective way, in order that these resolutions be really geared towards the future and our duty to get the country out of the crisis and secure the stable and dynamic development of the country on the basis of self-management.

At the end of this long debate members of the committee for the preparation of the 13th Congress agreed to accelerate work on the preparation of resolutions, because the public discussion should start by mid-February at the latest. Meanwhile, both this committee and the LCY Central Committee will vote on the draft resolutions.

DRAFT ECONOMIC PLAN CALLED 'OVERAMBITIOUS'

LD130742 Belgrade TANJUG Domestic Service in Serbo-Croatian 15-6 GMT 12 Nov 85

[Summary] Belgrade, 12 Nov (TANJUG) -- The Executive Committee of the Yugoslav Economic Chamber met today to discuss the resolution on the country's economic and social development and the medium-term plan up to the year 1990.

According to the views expressed, both the resolution and the plan contain ideas which satisfy our needs and goals, but there were some reservations about how realistic some of the objectives were, especially in view of the fact that no accompanying measures or systemic solutions had been outlined. Particular reservations were voiced on the issue of the social product, which is forecast to grow by 4 percent. It was described as over-ambitious, given the fact that in the current 5-year period the social product was 0.7 percent. Businessmen who took part in the session expressed their concern over the funds which would be available for development because, as someone remarked, 60 percent of the accumulation for 1986-90 has already been earmarked to meet various obligations such as foreign debt repayment, foreign exchange differentials, etc. Delegates to the session demanded that their remarks and suggestions be submitted to the Federal Executive Council and the SFRY Assembly for consideration as soon as possible.

BOJANIC OUTLINES TRADE WITH DEVELOPING COUNTRIES

LD150007 Belgrade TANJUG in English 2042 GMT 14 Nov 85

[Text] Belgrade, Nov 13 (TANJUG) -- In the January-September period Yugoslav exports to the developing countries totalled just over one billion dollars, or 13 percent down from the figure for the same period last year. At the same time Yugoslav imports from these countries increased by only 1 percent to a total of 1.9 billion dollars.

These figures were revealed by Foreign Trade Secretary Milenko Bojanic at today's meeting of the Yugoslav Assembly Committee for Foreign Economic Relations, in a report explaining the government's strategy for the development of economic ties with the developing countries.

The strategy provides for the developing countries' share in Yugoslavia's foreign trade to reach 24 percent by 1990.

Bojani also emphasized that it involved not only an opening, but also revitalization of Yugoslavia's economic cooperation with the developing countries, since their share in Yugoslavia's trade with the world totalled 20 percent only three years ago. This year, however, the share fell to 15 percent, with intensive cooperation recorded only with five developing countries -- Iraq, Iran, Algeria, Libya and Egypt.

LCY, PRESIDENCY DISCUSS NEXT NONALIGNED SUMMIT

LD140929 Zagreb Domestic Service in Serbo-Croatian 1800 GMT 13 Nov 85

[Text] The Presidium of the LCY Central Committee and the SFRY Presidency have held a joint session which was presided over by Vidoje Zarkovic and Radovan Vlajkovic. The session dealt with current ideo-political issues in society and the related tasks devoling upon the LCY and other factors in the system; the nonaligned countries' role and activity under the present international conditions; and Yugoslavia's preparations for the eighth summit of nonaligned countries to be held in Harare next year.

On the basis of their assessment of the situation in the country, the Presidium and the Presidency outlined the basic course of activity aimed at consolidating political and economic stability within society. Particular stress was placed on the need to overcome all resistance to the implementation of the long-term program of economic stabilization. The need was also emphasized for intensified ideo-political action against hostile, nationalist, and anticommunist forces which are using our social and economic difficulties as a pretext for attacking the LCY and socialist self-management and for destabilizing the country's constitutional order.

In addition to intensified ideo-political activity it is, therefore, necessary to create conditions for an effective and united action by the LCY, all of its leaderships, and the front of all organized socialist forces.

Attention was drawn to the state organs' duty to react to any attempt at hostile activity by taking resolute and prompt legal measures.

The Presidium and the Presidency agreed that developments in international relations have reaffirmed the vitality of the principles and goals of the policy and movement of nonalignment. At the same time, though, they pointed out the need for the Nonaligned Movement to take a more active role as a global, independent, and nonbloc factor. Emphasis was placed on the importance of the nonaligned countries' constant involvement in issues of primary importance to the international community: peace, security, disarmament, development, and the efforts to prevent emergence of more troublespots. All this was reflected in the resolutions adopted by the recent ministerial conference of nonaligned countries in Luanda and featured prominently at this year's UN jubilee session.

At the session particular emphasis was placed on Yugoslavia's readiness to invest efforts, based on the original principles and goals of the policy and movement of Nonalignment, so as to ensure that the preparations for and outcome of the eighth conference of nonaligned countries are as successful as possible.

ZARKOVIC EMPHASIZES AGRICULTURAL SHORTCOMINGS

LD090029 Belgrade TANJUG Domestic Service in Serbo-Croatian 1737 GMT 8 Nov 85

[Text] Novi Sad, 8 Nov (TANJUG) -- We must be resolute in breaking with the practice up to now of tolerating and maintaining the unequal position of agricultural production, and also with the protection of irrational and unprofitable production. Unless we are organized and resolute in this, we will come to a very difficult situation of protecting the living standard and also being confronted with great and acute employment problems and difficulties in other areas of agricultural and social development, where agriculture has a big role. This, among other things, was emphasized by Vidoje Zarkovic, president of the LCY Central Committee Presidium, who spoke at today's meeting of the Provincial Committee of the League of Communists of Vojvodina, at which agroindustry was the main topic.

Vidoje Zarkovic said that we cannot be satisfied, either with respect to quantity or quality, with the development of agriculture in the current medium-term plan, mentioning that the most recent estimates of the Federal Planning Institute show that the annual average growth rate of agricultural production in 1981-1985 was only 0.8 percent, instead of the planned 2.9 per cent. He emphasized that autarchic tendencies in the development of this economic activity had strengthened, that the conditions of economic activity had worsened, that there had been a reduction of investment in agriculture, and that a critical point has been reached. Worst of all, the situation in agriculture has radically worsened this year, one cause of which was certainly the weather, especially the severe drought. If we add to this the noticeable worsening of the economic position of this activity, as well as the ever more unfavorable trends in livestock breeding, then it really must be said that agriculture is in a difficult position. Unless urgent action with the appropriate measures of development policy is taken, this could have far-reaching negative consequences for the realization of the long-term program of economic stabilization as a whole and the overall socioeconomic development of the country.

I think, said Vidoje Zarkovic, that it is very good that the Provincial Committee of the Vojvodina League of Communists has considered the problems of the development of agricultural production at today's meeting. These problems, given the present situation, he added, ought to be more seriously discussed by all political and state organs and by the federation when the measures of economic development policy for next year are determined and particularly in the adoption of the new medium-term plan up to 1990.

Zarkovic also gave a broad analysis of the tasks which arise out of the long-term program of economic stabilization, emphasizing that in this document it is clearly stated that, without a powerful and dynamic upturn in agricultural production, it is impossible to achieve the stabilization of the economy and the market. But unfortunately, he noted, all the most important ingredients -- or rather the method of securing them -- for a development of this kind are lacking. The document, especially in a separate section on agriculture and agro-industry, provides a clear plan for the harmonious and dynamic development of agriculture and agro-industry as a whole, formulated by the most eminent specialists from scientific and other establishments and organizations of associated labor. Little can be added to or taken away from this plan, Zarkovic warned. The long-term program of economic stabilization should be consistently put into effect.

President Zarkovic stressed that it is stated in this program that Yugoslavia can relatively quickly free itself from imports, that it can achieve an expansive export of food, and that this export can be a very important factor in stabilizing the balance of payments in our country. In connection with this, Zarkovic recalled that the program also envisaged the formulation of common projects in the field of agro-industry, fully appreciating the comparative advantages and the natural wealth of all the regions of Yugoslavia. Capacities, however, should not be duplicated, but rather existing ones used to best advantage, and account should be taken of the raw material base. Overcoming autarchy and realizing common interests in the unified Yugoslav market, Zarkovic added, could significantly contribute to the commonly determined unified elements of agricultural policy in Yugoslavia in the area of expanded reproduction, credit policy, prices, subsidies, exports, imports, the expansion of the social sector, and the development of the market mechanism.

Turing to the automatic adjustment of the level of interest rates and the exchange rate of the dinar to the increasingly high rate of inflation, Vidoje Zarkovic noted that this has led to interest rates and exchange rate differences becoming an intolerable burden for a large number of associated labor organizations and the basic cause of their financial difficulties. The linear application of such a policy, without regard for specific characteristics of individual branches of the economy and activities, has put them in a particularly difficult position. This is particularly the case, Zarkovic emphasized, with agriculture. In recent years, interest rates have imposed a burden on agroindustrial production three or more times greater than on industry and the economy of Yugoslavia as a whole. He also cited the fact the interest makes up as much as 71.8 percent of generated income in agriculture, and in livestock breeding as much as about 128 percent. When we consider that the agroindustrial complex disposes of only 10 percent of working assets, Zarkovic added, we realize the situation in which associated labor organizations in this area find themselves because of the high interest rates. The rapid slide in the dinar exchange rate in the last few years has had a more negative then positive effect on agriculture. This is because agriculture formally had priority in the utilization of foreign loans. The beneficiaries of these loans are now faced with exceptionally high foreign exchange differences, which they are unable to meet with their production and the prices of their products.

Zarkovic recalled that the long-term program of economic stabilization envisages the removal of disparities in prices as a whole, and particularly with regard to prices of agricultural products.

However, in recent years, in conditions of an increasing rate of inflation, these discrepancies have become greater. This year alone the prices of agricultural products have risen by 47 percent, while the costs of production materials and other products, as well as the equipment used by agriculture, have increased considerably more and even almost doubled. This means that the differences between the prices of agricultural products and the products used by agriculture are continuing to increase at the expense of the industry.

It has become clear that the long-term program of economic stabilization cannot be achieved with such a rate of inflation, Zarkovic warned, noting that it inevitably also slowed up the increase in production and exports, not to mention what this means for the living standard of working people and citizens. He noted that such a high rate of inflation leads to a redistribution of income, usually from the social sector to the private sector, because huge resources are in the savings of the population. In the overall volume of savings deposits, 4 percent of savers hold 46 percent of the deposits. This 4 percent of savers earns more than 80 percent of the interest. Perhaps we should consider introducing the taxation of these earnings in this situation.

Stressing that we must rid ourselves of the misconception that inflation "inflates" of its own accord, Vidoje Zarkovic said that we should be bringing down the rate of inflation by next year. In preparing a resolution on economic development policy, we should calculate what is the lowest possible realistic rate to which we should lower inflation. In keeping with this, we should immediately lower interest rates, whereby the burden would immediately be lifted from the economy and its business costs. Then, we must agree that the rate of exchange of the dinar should not slide any further and that all consumption must be adjusted to such a rate of inflation. If we do this, and if we also conduct a selective policy of interest rates, we will then significantly alleviate the position of the associated labor organizations in general, and in agricultural production in particular, Zarkovic said. He added that we should at the same time also take radical measures to relieve the economy in all respects and especially as far as interest payments are concerned.

Speaking about social control of prices, Vidoje Zarkovic stressed that it is absurd to proclaim such freely formed prices in an unstabilized economy. Our ideal is not, of course, a policy of freezing and unfreezing prices, but we also cannot have such liberalism in the prices policy in an unstable market. In conditions where there are great disparities in prices, workers are not motiviated to put in any effort because the fate of their income sometimes does not depend on their labor. Clearly, their fate depends more on the stroke of a pen, which has led to the disparity in prices.

According to Zarkovic, the struggle to overcome inflation and prevent the further fall of the standard of living has reached the limit after which there can be no more maneuvering space for lowering the standard of living even further. The costs of living have already reached two-thirds of the average family budget, while the quality of food has gone down. Bearing all this in mind, and also the fact that on one side the costs of agriculture are high and on the other the purchasing power of the population is limited and the standard of living threatened, we must ask this question: Can we tackle all these problems by prices alone, as is the present policy, or should we take more extensive measures such as subsidies, incentives, compensation, refunds, and other measures.

The President of the LCY Central Committee Presidium said that maximum effort should be exerted to secure the passing of the medium-term development plan for Yugoslavia on time, because this is of particular interest for the realization of the long-term program of economic stabilization. In its second stage, the program seeks to eliminate numerous obvious problems and speed up all the necessary measures for a speedier socio-economic development of our country, for establishing a joint Yugoslav strategy for technical and technological development, and for a greater involvement in the international division of labor. Zarkovic added that by the end of the year all systemic laws should be passed and coordination in the SFRY Assembly accelerated. At the same time, efforts should be exerted to speed up the passing of the resolution on the policy of the socio-political development of the SFRY in the following year, as this is a document which must not be delayed. The LCY Central Committee and the League of Communists, central and provincial committees of the republics and provinces must take responsibility precisely for these tasks and also for a speedier coordination and adoption of these documents. Vidoje Zarkovic stressed this point, speaking at today's meeting of Vojvodina League of Communists Provincial Committee in Novi Sad.

VOJVODINA LC OFFICIAL ON DEMOCRATIC CENTRALISM

AU072109 Belgrade POLITIKA in Serbo-Croatian 29 Oct 85 p 5

[Report by Radmilo Klajajic, Rade Babic]

[Excerpts] Novi Sad, 28 Oct -- The fact that there are problems in the functioning of the federation, but that the concept of Yugoslav federalism has not been called into question was not neglected at the session of the Vojvodina LC Central Committee today. This was the basis of the introductory speech made by Bosko Krunic, and it was also confirmed in the various views expressed by 14 participants in the debate.

After stressing that those questions are of great importance for the unity of the country and in particular for the unity of the LC, in his introductory report, Krunic said the following:

The LC must find a proper place for every phenomenon on the political scene, assessing causes and meanings for the continuity of the revolution and for securing power for the workers class and development of self-management. This also applies to the cases when individual comrades, Communists from the ranks of builders of Yugoslavia, come out with negation of everything we have and do, what we conclude. One should loudly and publicly note that they were also builders of the development of this country, not only its successes, but also deviations in its development. Nobody should be allowed to harbor illusions about never being in the wrong, at least not when he is publicly burdening political life with that well-known moral "I told you so"..., Krunic said.

The first participant in the debate, Istvan Rajcan, spoke on the burgeoning of statism, stressing that we cannot "place" it exclusively in republics and provinces, because it has spread to all levels of organization. When "placed" solely in republics and provinces, statism serves as a starting point for the criticism of the position of republics and provinces as established by the 1974 Constitution, and a point from which suggestions for strengthening statism come. The cause of our inefficiency, sluggishness, and blockages in reaching agreements does not lie in the position of republics and provinces in agreeing in the federation, nor is it in the fact that the Constitution envisages decisions by consensus when what is involved are basic questions of social development.

The cause lies in blockages and in misusing the principle of agreement in the name of nation and working class, and in fact -- instead of the class and nation -- in the interest of state property.

Rajcan also touched upon a special dilemma, the need to form a chamber of associated labor at the federal level, pointing out that there are no arguments advocating it.

The implementation of the constitutional concept of the Yugoslav federation, as well as the system of socialist self-management on the whole, decisively depends on the LCY's ideological unity and its successful social action, Slavko Veselino said.

Veselinov in particular spoke about the LCY Central Committee Presidium positions on relations in the SR of Serbia, stressing democratic centralism in the LC of Serbia. The principal LC organizations have their obligations for which they are responsible to LCY organs; therefore, there is no place for relations of subordination in the LC of Serbia and its organs. With a view to making the implementation of decisions more efficient, there could and must only be coordination and cooperation in political action, exchange of opinions and experiences, and better mutual information, so that best results would be achieved. There have been numerous weaknesses in this respect so far.

One of the significant questions is the implementation of democratic centralism in the LC of Serbia. Its implementation in the LC of Serbia cannot be called into question, nor has it been called into question. One must, however, keep in mind that the LC of Serbia is a complex organization, and that the content of democratic centralism has to manifest itself in a specific way in relations. We can also see this in the fact that the LC's of the provinces are independent organizations in the LCY and equal to the others. As such, they take upon themselves their share of obligations and responsibilities for establishing and implementing the LCY policy, Slavko Veselinov said.

Such an approach to the buildup of policy in the LC of Serbia and to decisionmaking does not imply any limitations to the work of the LC of Serbia. Some phenomena, however, do not go in this direction; they are retrograde in their essence and one has to react to them harshly. After the LCY Central Committee Presidium positions were adopted, some individuals have been denying that provincial LC's can be equal to the others in the LC, that they can have the same rights and responsibilities as republican ones. These contentions are contrary to the present mode of organization of the LCY as a united organization of the workers class, Veselinov pointed out, noting that one cannot accept contentions that fail to recognize the complexity of the SR of SR of Serbia and the complexity of the LC organization of Serbia, nor can one accept repeated questions from previous debates, as if there were no assessments inferred or stands taken. Such attitudes are in fact not only the denial of historical conditions under which provincial LC organizations were created and the role they played inthe revolution, socialist buildup, and development, but also failure to observe congress decisions.